

# RISK MANAGEMENT STRATEGY 2025



Document Control

Organisation	City of Lincoln Council
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Revision	Originator	Date	Description
1.01	Lara Wells	July 2018	New format for Strategy
1.02	Lara Wells	June 2023	Minor update for references to Vision 2025
1.03	Jaclyn Gibson	April 2025	Minor update for references to Vision 2030 and current challenges

# 1. Introduction

The Risk Management Strategy recognises that the next few years will continue to present challenges for the Council in delivering its services and its Vision 2030 priorities, with the need to identify and manage risks being even more crucial. As the funding outlook for local authorities remains uncertain, the cost of service delivery and service demands continues to escalate and the potential implications arising from Local Government Re-organisation, the Council will continue to be forced to have more of an appetite for risk. Effective management of risk is therefore essential in ensuring that the Council is prepared for the challenges ahead and taking a 'well measured' risk approach.

Effective risk management is also a key element of corporate governance and is recognised as such in the Accounts and Audit Regulations 2015 (through the Annual Governance Statement).

## 2. Aim

The aim of this strategy is to provide a framework and process that enables the Council to manage uncertainty in a systematic, effective, consistent and efficient way. This supports informed decision making thereby enabling opportunities to be exploited or action to be taken to mitigate or manage, to an acceptable level, the key risks facing services and the successful delivery of Vision 2030.

It supports the Council's Vision 2030 of 'Together, let's deliver Lincoln's ambitious future and the strategic priorities of:

- Let's reduce inequality
- Let's deliver quality housing
- Let's drive economic growth
- Let's enhance our remarkable place
- Let's reduce climate change

It seeks to encourage well measured risk taking where it is likely to support the Council in delivering transformed services required within the dynamically changing environment of local government.

# 3. Objectives

This Risk Management Strategy seeks to achieve a number of specific objectives:

- To ensure that there is a strategic approach to risk management to make better informed decisions which is vital to successful transformational change.
- To set a 'tone from the top' on the level of risk we are prepared to accept on our different service delivery activities and priorities. Understanding our 'Risk Appetite' and acknowledging that how we 'think about risk' will be different depending on the context of corporate impact and sensitivity.
- To acknowledge that even with good risk management and our best endeavours – things will go wrong. Where this happens, we use the lessons learnt to try and prevent it from happening again.
- To develop leadership capacity and skills in having a clear understanding of the risks facing the Council in delivering our services and transformation and organisational change and how we manage these risks. Risk management should be integral to how we run Council business/services.
- To support a culture of well measured risk taking throughout the Councils business, including strategic, change and operational.
- To ensure that our approach to risk management is proportionate to the decision being made.
- To ensure that we have effective monitoring and Corporate Management/Executive intelligence on the key risks facing the Council.
- To ensure that we have good practice tools to support management of risks in place, which are applied consistently throughout the Council

# 4. Policy Framework

In order to achieve the strategy objectives, the following policy and principles underpin the Council's risk management arrangements;

- Risk management will be embedded into business critical processes ensuring that risks are considered as part of the formulation of Council plans (service/strategic/financial), projects, policies and performance.
- A simple risk management process will be in place which;
  - identifies, understands, and manages key risks affecting the Council, at both corporate/strategic and operational levels
  - sets risk ownership and accountabilities
  - considers risks for likelihood and impact
  - identifies mitigating controls with clear allocation of responsibility - thinking about the level of risk, appetite for risk, reward, impact and cost of control measures (responding in a balanced way).
  - includes risks relating to strategic partnerships
  - ensures that processes include risk monitoring
  - provides regular review and reporting of risks, ensures there is an escalation process in place
- Key responsibilities, for officers, members, and committee including reporting structures will be clearly set out.
- A senior officer (Jaclyn Gibson, Chief Finance Officer) and member champion (Portfolio Holder for Customer Experience, Review and Resources) have been identified who will take overall responsibility for risk management.
- Processes are cascaded effectively to officers and members, using adequate mentoring facilitation and training.
- Processes will be in place to consider and disseminate risk management best practice.

# 5. Strategy

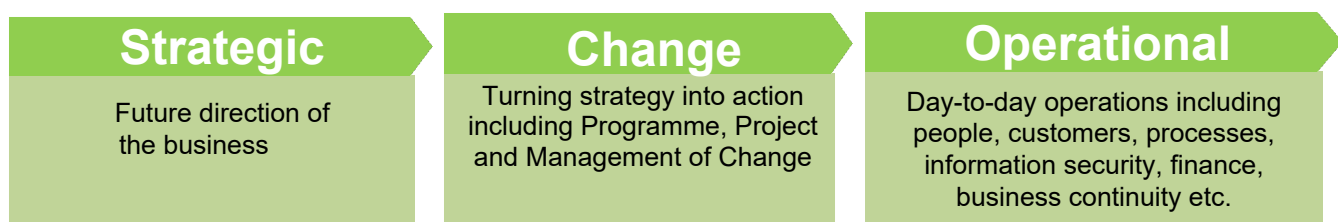
The Council's Risk Appetite statement is **Creative & Aware**:

*"The Council wishes to be **creative** and open to considering all potential delivery options with well measured risk taking whilst being **aware** of the impacts of its key decisions. The Council is prepared to 'take leaps of faith' on this basis, with an acceptance that it might not always work out as planned. As an authority it is prepared to take calculated risks to achieve its vision and strategic priorities".*

This means that the Council's risk and assurance systems need to be working well so to create an environment of 'no surprises'.

Whilst working within this overall context – 'tone from the top' – it is acknowledged that the risk appetite will vary depending on the nature of the service. For example, the Council's appetite for risk taking on Health & Safety is more cautious.

The Council's approach to risk management is proportionate to the decision being made or the impact of changes to service delivery/strategies. Risk management arrangements enable the Council to manage uncertainty in a systematic way at all levels of the Council's business – as shown below:



A formal risk assessment, producing a risk register, is not required for everything the Council does. Risk Registers are only required for:

- Strategic Risks
- Significant Directorate Operational Risks
- Key projects and programmes determined by the Vision 2030 and Project Management guidance.

- New service strategies that have a greater impact on people, finance and the Council.

All key decisions presented to the Executive must clearly show the key risks associated with the decision (recommendations), the potential impact and how these will be managed. This helps promote informed decision making, particularly in an environment of uncertainty and change.

Officer and Member awareness is a key component of successfully embedding risk management arrangements; specific training is provided to officers with risk management responsibilities and members, with general awareness training provided for other officers, as required.. Specific Risk Management Guidance which sets out the Council's requirements and processes and gives people the tools to help them identify and manage risks effectively is also available for officers.





# 6. Roles and Responsibilities

The Roles and Responsibilities for risk management are as follows:

## **Leadership**

The Executive and Corporate Leadership Team (CLT), ,

- has the ultimate accountability for the risk and related control environment
- is responsible for approving and reviewing risk policies
- sets the level of risk the council is prepared to accept – the ‘risk appetite’.

## **Escalation**

The Audit Committee is responsible for:

- overseeing the effectiveness of the Council’s risk management arrangements,
- escalating issues to the Corporate Management Team (CMT)/Executive.

The Performance Scrutiny Committee is responsible for

- ensuring that the Council’s Strategic Risks are effectively managed, escalating issues to the Executive.

## **Oversight and Co-ordination**

The Assistant Directors Group and the Service Managers Group are responsible for the facilitation and co-ordination of risk management activity across the Council.

## **Ownership**

Directorates and services (all employees) are the ‘risk takers’ and are responsible for identifying, assessing, measuring, monitoring and reporting significant risks associated with their functions and activities which feed into project, directorate and strategic risks.

## **Assurance**

Elected members, , management, third parties and Internal Audit as part of the Council’s combined assurance model give assurance on the

management of risks and the operation and performance of controls.

Whilst effective risk management is integral to how services are run, the Council in conjunction with the Strategic Risk Management Team at Lincolnshire County Council helps support management and promote good practice. The key roles being:

- To co-ordinate and maintain the Council's Strategic Risk Register.
- To develop and co-ordinate the implementation of the Risk Management Strategy.
- Provide guidance on risk management.
- To support Members and Officers to help them identify and manage risks facing the Council.
- Promote good risk management through training and awareness events/ publications.
- Measuring/monitoring the successful implementation of the Risk Management Strategy.
- Horizon scanning to support identification of emerging risks.

# 7. Review

This Strategy will be reviewed at least every three years and any significant amendments reported to the Council's Executive for approval.

*Revised: April 2025 (no significant amendments)*

