



Report To:	Audit & Governance Committee
Date:	26 th March 2025
Subject:	Quarter 3 Risk Report 2024/25
Purpose:	To provide an update on risk as at the end of December 2024
Key Decision:	No
Portfolio Holder:	Councillor Kemp, Portfolio Holder for Finance
Report Of:	John Medler, Assistant Director – Governance
Report Author:	Suzanne Rolfe, Group Manager – Insights & Transformation
Ward(s) Affected:	All
Exempt Report:	No

Summary

This report provides an overview of risk management in the authority as at the end of December 2024.

Recommendations

1. That the Committee considers and notes the report

Reasons for Recommendations

The Audit and Governance Committee is responsible for overseeing the effectiveness of the Council's risk management arrangements.

Other Options Considered

N/A

1. Background

1.1 The Council's Constitution details that the Audit and Governance Committee is responsible for overseeing the Council's risk management arrangements. Under its Terms of Reference the Committee is required to:

- consider the adequacy and effectiveness of the Council's risk management arrangements;
- seek assurances that appropriate action is being taken on risk-related issues identified by auditors and inspectors;
- assess whether the Council's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it

1.2 To support the Committee in discharging its responsibilities, this report sets out the Quarter 3 position for risk management as at the end of December 2024.

2. Strategic Risk Register

2.1 The strategic risk register has been reviewed for quarter 3, as at the end of December 2024. An additional column to track the delivery of actions has been added – Green where actions are on track, Amber where a date for the action needs to be added and Red where actions are off track.





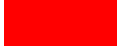
2.2 New risks are being worked on for reporting in Q4 around Invest East Lindsey and flood risk as requested.

2.3 A summary of the risks and scores are set out in the table below, with full details in Appendix 1.

East Lindsey Strategic Risks	Risk score	Direction of travel
ELDC01: Budget	High (12)	↔
ELDC03: Local economy	Medium (9)	↔
Update in Q3: Treatment and action reviewed		
ELDC04: Lincshire flood defence	High (10)	↔
Update in Q3: Existing mitigation updated		
ELDC05: Business continuity	Medium (9)	↔
ELDC06: Health and Safety	Medium (6)	↔
ELDC07: Local Plan	Medium (6)	↔
ELDC08: Safeguarding	Medium (8)	↔
ELDC09: Information	Medium (8)	↔
ELDC10: Treasury and capital	Medium (8)	↔
ELDC11: Third Party Service delivery	Medium (9)	↔
ELDC12: Technology Infrastructure failure	High (10)	↔
ELDC13: Cyber Incident	High (15)	↔
ELDC14: Capital Programme	Medium (6)	↔
ELDC15: General Fund Assets	Low (4)	↔
Update in Q3: Existing and planned mitigation reviewed		
ELDC17: Implementation of the Environment Act 2021	High (16)	↔

East Lindsey Strategic Risks	Risk score	Direction of travel
ELDC18: Introduction of Extended Producer Responsibility	Low (4)	↓
Update in Q3: Wording and scores reviewed; overall risk reduced from medium to low due to increased assurance around funding		
ELDC19: Identification and Suitability of future Depot Accommodation	High (15)	↔
ELDC20: Capacity	High (12)	↔
Update in Q3: Action date added		
ELDC21: External Communication	Medium (6)	↔
Update in Q3: Treatment and target risk reviewed; moved to tolerate as medium risk		
ELDC22: Retention of staff	Medium (8)	↔
Update in Q3: Action complete; academy launched		
ELDC23: Service Delivery	Medium (9)	↔
Update in Q3: Action and date added		
ELDC24: Internal Communications	Medium (6)	↔
ELDC25: Net Zero Target	Medium (8)	↔
Update in Q3: Action date added		
ELDC26: National Review of Business Rates	High (10)	↔
ELDC27: Domestic Retrofit programme	Medium (6)	↓
Update in Q3: Overall risk reduced from high (12) to medium. Treatment reviewed as target risk score aims to reduce further; action date added		
ELDC28: Health	Medium (9)	↔
Update in Q3: Treatment and action reviewed		
ELDC29: Local Government Reform (LGR) in Greater Lincolnshire	High (12)	New
Update in Q3: New risk		

Risk Scoring Matrix						
Impact	Critical		4; 12; 26	13		
	High	15	8; 9; 10; 22	1	17	
	Medium		6; 14; 21; 24; 27	3; 5; 11; 23; 28	20; 29	19
	Low		18	7	25	
	Minimal					
		Rare	Unlikely	Possible	Likely	Almost certain
		Likelihood				

Risk Score	Colour
Minimal Risk	
Low Risk	
Medium Risk	
High Risk	
Critical Risk	

2.4 As set out in the risk policy, we use the 4Ts of risk control:

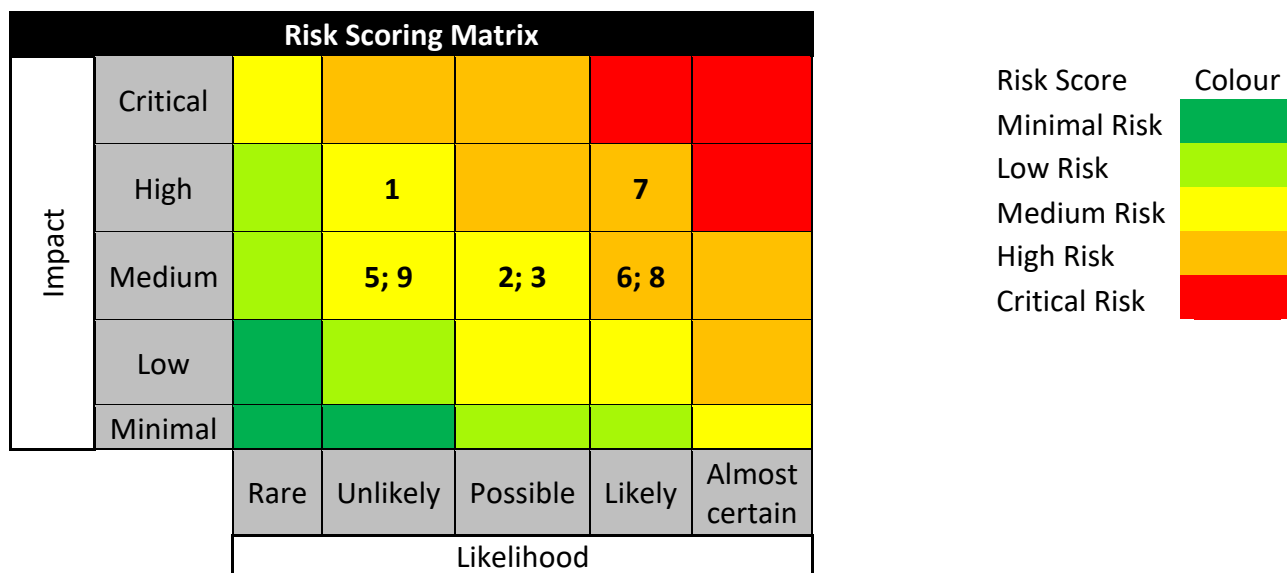
- Terminate – rarely, we may be able to stop doing the activity altogether and thereby remove the risk altogether

- Tolerate – accept the risk and live with it because it is within our risk appetite and the cost of mitigating action would outweigh the benefits
- Transfer – move all or part of the risk to a third party or through insurance; however, sometimes accountability remains, particularly with a Council, so caution is advised
- Treat - take action to control the likelihood and/or impact and set a target to move the risk to within the risk appetite once the action has been implemented

2.5 The strategic risks for the Partnership have also been reviewed for quarter 3, as at the end of December 2024.

2.6 A summary of the Partnership risks and scores are set out in the table below, with full details in Appendix 1.

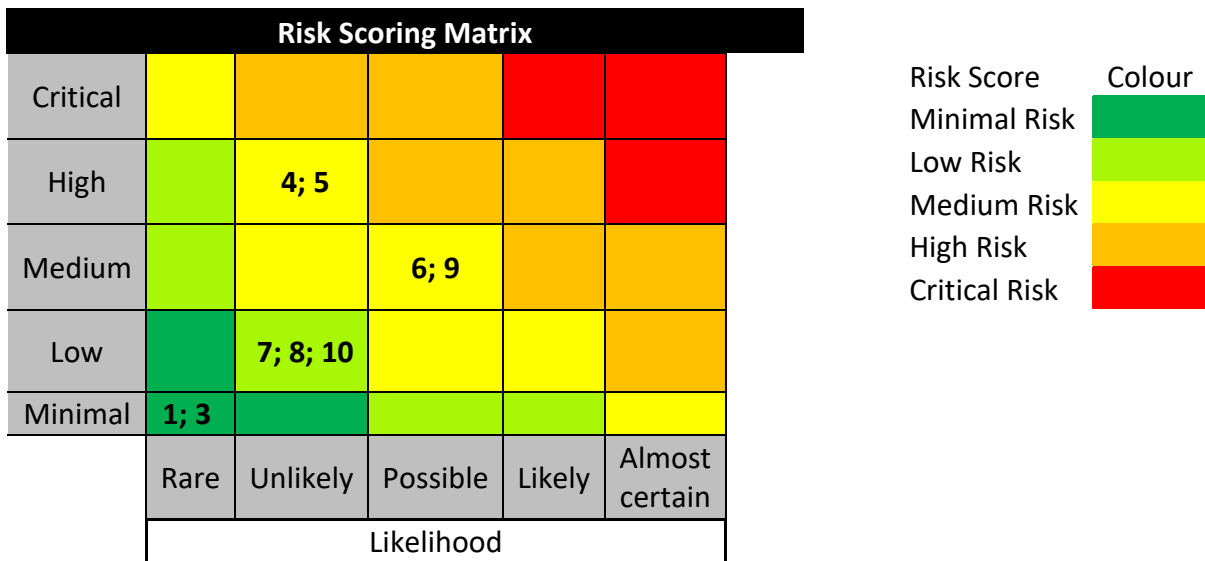
SELCP Partnership Risks	Risk score	Direction of travel
SELCP-01: Vision	Medium (8)	↔
Update in Q3: Target risk score reviewed		
SELCP-02: Trust	Medium (9)	↔
SELCP-03: Sovereignty	Medium (9)	↔
SELCP-05: Culture	Medium (6)	↔
SELCP-06: LGR	High (12)	↔
Update in Q3: Updated risk wording		
SELCP-07: Funding	High (16)	↔
Update in Q3: Action date added		
SELCP-08: Staffing	High (12)	↔
Update in Q3: Actions updated and dates added		
SELCP-09: PSPS	Medium (6)	↔
Update in Q3: Target risk score reviewed		



2.7 The fraud risks have also been reviewed for Q3, as at the end of December 2024.

2.8 A summary of the fraud risks and scores are set out in the table below. Further work is underway in relation to fraud risk for reporting in Q4.

Fraud Risks	Risk score
1: Asset - Equipment	Minimal (1)
3: Assets – Land and Property	Minimal (1)
4: Procurement – Contracts	Medium (8)
5: Procurement – Contract Payments	Medium (8)
6: Council Tax – Credit Refund and Income Fraud	Medium (9)
7: Council Tax Fraud	Low (4)
8: Council Tax Support Scheme	Low (4)
9: National Non-Domestic Rate (NNDR) Fraud	Medium (9)
10: Housing Benefit Fraud	Low (4)



3. Conclusion

3.1. The risk management arrangements are designed to provide the Council with a clearer and fuller understanding of the key risks facing the organisation and how these are being managed. They enable the Council to pro-actively manage its risks taking into account the agreed risk appetite level.

Implications

South and East Lincolnshire Councils Partnership

A Partnership approach has been agreed for 2024/25.

We are reviewing strategic risks which are common across the Partnership. This will streamline the monitoring and management of shared partnership-wide risks where there is synergy across all.

We are also working on identifying risks to the Partnership itself, which will be monitored and reported in addition to the Council-specific and partnership-wide registers.

Corporate Priorities

Effective risk management arrangements support all of the corporate priorities.

Staffing

No implications specific to this report. Risks relating to staffing are included in the report.

Workforce Capacity Implications

No implications specific to this report. Risks relating to workforce capacity are included in the report.

Constitutional and Legal Implications

No implications specific to this report.

Data Protection

No implications specific to this report.

Financial

No implications specific to this report.

Risk Management

Whole report.

Stakeholder / Consultation / Timescales

Consultation with SLT.

Reputation

No implications specific to this report. Potential reputational risks are included in the report.

Contracts

No implications specific to this report. Risks relating to contracts and procurement are included in the report.

Crime and Disorder

No implications specific to this report.

Equality and Diversity / Human Rights / Safeguarding

No implications specific to this report.

Health and Wellbeing

No implications specific to this report.

Climate Change and Environmental Implications

No implications specific to this report.

Acronyms

- A&G: Audit & Governance Committee
- HGV: Heavy Goods Vehicle
- LGSCO: Local Government and Social Care Ombudsman
- Q: Quarterly (Q1: April to June; Q2: July to September; Q3: October to December; Q4: January to March)
- RCV: Refuse Collection Vehicle
- SLT: Senior Leadership Team

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1 Q3 risks

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

Name of Body	Date
Executive Board	20 th February 2025
Overview Committee	25 th March 2025

Report Approval

Report author: Suzanne Rolfe, Group Manager – Insights & Transformation,
suzanne.rolfe@boston.gov.uk

Signed off by: John Medler, Assistant Director – Governance,
john.medler@e-lindsey.gov.uk

Approved for publication: Councillor Tom Kemp, Portfolio Holder for Finance,
thomas.kemp@e-lindsey.gov.uk