



Report To:	Governance and Audit Committee
Date:	29 th January 2026
Subject:	Quarter 2 Risk Report 25/26
Purpose:	To provide an update on risk as at the end of September 2025
Key Decision:	No
Portfolio Holder:	Councillor Jim Astill, Portfolio Holder for Corporate, Governance, Communications and Environmental Services
Report Of:	John Medler, Assistant Director – Governance
Report Author:	Corey Gooch, Business Intelligence and Change Manager
Ward(s) Affected:	All
Exempt Report:	No

Summary

This is the quarterly report covering risk monitoring information for Quarter 2 of 2025/26 (as at the end of September 2025).

Recommendations

That the Committee considers and notes the quarterly risk monitoring information for Q2 of 2025/26.

Reasons for Recommendations

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

Other Options Considered

Alternative reporting arrangements.

1. Risk management

- 1.1 The Governance & Audit Committee is responsible for monitoring the effective development and operation of risk management in the Council according to its terms of reference.
- 1.2 A shared approach to risk management has been agreed across the Partnership with common formatting but not content. The revised Risk Management Framework has been agreed by all three Councils.

In response to recommendations from the recent Internal Audit review of risk management practices, enhancements have been made to the this report to improve clarity and focus on key areas of concern

Target Status: Each strategic risk now includes an indication of whether it is currently being managed at its target level. This addition supports better prioritisation by highlighting risks that require further mitigation to reach their desired state.

Mitigation Action Tracking: The summary also incorporates the status of planned mitigation actions, using a RAG (Red, Amber, Green) rating. This provides assurance that actions are progressing as expected and helps identify where further attention may be needed.





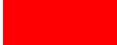
- 1.3 Individual strategic and operational risk registers are in place for each of the Councils to reflect individual circumstances, locality and reporting. Strategic risks are high level, relating to corporate priorities. Operational risks are service specific. In addition, a risk register of strategic risks to the Partnership has been developed and is set out below.
- 1.4 A quarterly corporate governance clinic is held with Assistant Directors to review risks.
- 1.5 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. Strategic Risk Register

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

South Holland Strategic Risks	Risk score	Direction of travel	Target Status
1.Failure to meet statutory requirements in regard to general fund assets	Low (4)	↔	At Target Set
2.External Communication	Medium (6)	↔	At Target Set
Proposal to remove External Communication risk, this is an impact of poor service delivery and not a risk in itself			
3.Retention of staff.	Medium (8)	↔	Not at Target
4.Service Delivery	Medium (9)	↔	At Target Set
5.Technology infrastructure failure	High (10)	↔	At Target Set
6.Internal Communications	Medium (6)	↔	At Target Set
7.Cyber Incident	High (15)	↔	At Target Set
8.Economic Growth	Medium (9)	↔	At Target Set
9.Introduction of Extended Producer Responsibility	Low (4)	↔	At Target Set
10.Implementation of the Environment Act 2021	High (16)	↔	Not at Target
11.Waste Collection Round Pressures	High (16)	↔	Not at Target
12.Local Plan being considered out of date	Medium (6)	↔	At Target Set
13.Budget	High (16)	↔	At Target Set
14.Capacity	Medium (9)	↓	At Target Set
Recent audit which linked to Capacity, Aims and Priorities gave 'Adequate Assurance'. This risk has reduced and is now at target.			
15.Third Party Service Delivery	Medium (9)	↔	At Target Set
16.Net Zero target	Low (4)	↓	At Target Set
The Carbon Reduction Action Plan has been approved as well as the Partnership Environment Policy. This risk has therefore been reduced as key mitigations are now in place.			
17.Civil contingency risks	Medium (8)	↔	At Target Set
18.Information	Medium (8)	↔	At Target Set
19.Capital Programme	Medium (6)	↔	At Target Set
20.Local Government Reform (LGR) in Greater Lincolnshire	High (12)	↔	At Target Set
21.Health and Safety	Medium (9)	↔	Not at Target
Following an audit by a 3rd party auditor of overdue outstanding actions processes an adequate assurance level has been agreed, however this has led to a number of recommendations which are due to be implemented through Q2 25/26. The Director for Communities will continue to chair a group targeted at completing this actions through Q3 25/26 and Q4 25/26 and the target is to have this risk mitigated by then via completed actions.			




Risk Scoring Matrix						
Impact	Critical		5	7		
	High		3;21		10;11;16;13	
	Medium		2;4;8; 22;23	9;17; 18;25	20	
	Low		1;9	6;19		
	Minimal					
		Rare	Unlikely	Possible	Likely	Almost certain
		Likelihood				

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

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

SELCP Partnership Risks	Risk score	Direction of travel	Target Status
SELCP-01: Vision	Medium (8)	↔	At Target Score
SELCP-02: Trust	High (12)	↔	At Target Score
SELCP-03: Sovereignty	Medium (9)	↔	At Target Score
SELCP-05: Culture	Medium (6)	↔	At Target Score
SELCP-06: LGR	High (12)	↔	At Target Score
SELCP-07: Funding	High (16)	↔	Not on Target
SELCP-08: Staffing	High (12)	↔	Not on Target
SELCP-09: PSPS	Medium (6)	↔	At Target Score

Risk Scoring Matrix						
Impact	Critical					
	High		1		7	

Risk Score	Colour
Minimal Risk	
Low Risk	
Medium Risk	

	Medium		5; 9	3	2; 6; 8	
	Low					
	Minimal					
		Rare	Unlikely	Possible	Likely	Almost certain






High Risk 
Critical Risk 

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

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

Risk Scoring Matrix






Critical					
High		5			
Medium		4; 6	9		
Low		7; 8; 10			
Minimal	1; 3				
	Rare	Unlikely	Possible	Likely	Almost certain
	Likelihood				

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

2.7 A summary of the HRA risks and scores are set out in the table below, with full details in Appendix D.

South Holland HRA Risks	Risk score	Direction of travel	Target Status
1.Business continuity	Medium (9)	↔	At Target Score
2.Health and Safety	Medium (6)	↔	At Target Score
3.Risk oversight	Medium (9)	↔	At Target Score
4.Management of health and safety	Medium (8)	↔	At Target Score
5.Management of health and safety of DLO	Medium (5)	↔	At Target Score
6.Data	Low (4)	↓	At Target Score
Score reduced from 2,3 to 1,3. Stock surveys now 90% complete.			
7.Listening to tenants	Low (4)	↔	At Target Score
8.Tenant engagement resource	Medium (9)	↔	Not at Target
9.Qualification requirements	Low (4)	↔	At Target Score
10.HRA business plan	Medium (9)	↓	Not at Target
Score reduced from 3,3 to 2,3 following final draft submitted for approval			
11.Failure to meet Regulatory Consumer Standards	Low (4)	↔	At Target Score
12.Failure to self-refer to the regulator	Low (3)	↔	At Target Score
13.Impact of Awaab's law	Medium (6)	↔	Not at Target
14. Minimum Energy Efficiency Standards	Medium (9)	↔	Not at Target
15. HRA business plan (Additional)	Medium (9)	NEW	Not at Target
16. Emergency repairs service (staffing)	High (12)	NEW	Not at Target

Risk Scoring Matrix					
Critical	5				
High		4	16		
Medium		2;13	1;3;8;10;14;15	12	
Low	12	7;9;6;11			
Minimal					

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

Rare	Unlikely	Possible	Likely	Almost certain
Likelihood				

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. Strategic and operational risks continue to be managed in accordance with the Risk Management Framework. The Committee's review of this report and its feedback enables the Committee to discharge its role in considering the effectiveness of the Council's risk management arrangements.

Implications

South and East Lincolnshire Councils Partnership

A Partnership approach has been agreed for 2025/26.

Corporate Priorities

All strategic risks are linked to delivery of 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

- AD: Assistant Director
- DCX: Deputy Chief Executive
- SLT: Senior Leadership Team

Appendices

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

<i>Appendix A</i>	<i>SHDC Strategic Risk Register</i>
<i>Appendix B</i>	<i>Partnership Risk Register</i>
<i>Appendix C</i>	<i>Fraud Risk Register</i>
<i>Appendix D</i>	<i>HRA Risk Register</i>

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

A report on this item has not been previously considered by a Council body.

Report Approval

Report author: Corey Gooch, Business Intelligence and Change Manager

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

Approved for publication: Councillor Jim Astill, Portfolio Holder for Corporate,
Governance, Communications and Environmental Services