



<b>Report To:</b>	Governance and Audit Committee
<b>Date:</b>	19 <sup>th</sup> March 2026
<b>Subject:</b>	Quarter 3 Risk Report 25/26
<b>Purpose:</b>	To provide an update on risk as at the end of December 2025
<b>Key Decision:</b>	No
<b>Portfolio Holder:</b>	Councillor Jim Astill, Portfolio Holder for Corporate, Governance, Communications and Environmental Services
<b>Report Of:</b>	John Medler, Assistant Director – Governance
<b>Report Author:</b>	Corey Gooch, Business Intelligence and Change Manager
<b>Ward(s) Affected:</b>	All
<b>Exempt Report:</b>	No

**Summary**

This is the quarterly report covering risk monitoring information for Quarter 3 of 2025/26 (as at the end of December 2025).

**Recommendations**

That the Committee considers and notes the quarterly risk monitoring information for Q3 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 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.





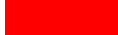
- 1.3 Individual strategic and operational risk registers are in place for each of the Councils to reflect individual circumstances, locality and reporting. Strategic risks are high level, relating to corporate priorities. Operational risks are service specific. In addition, a risk register of strategic 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
3.Retention of staff.	Medium (8)	↔	At Target Set
4.Service Delivery	Medium (9)	↔	Not at Target
5.Technology infrastructure failure	High (10)	↔	At Target Set
7.Cyber Incident	High (15)	↔	At Target Set
8.Failure to deliver the capital programme	Medium (6)	N/A	At Target Set
9.Economic Growth	Medium (9)	↔	At Target Set
10.Introduction of Extended Producer Responsibility	Low (4)	↔	At Target Set
11.Implementation of the Environment Act 2021	High (16)	↔	Not at Target
12.Waste Collection Round Pressures	High (16)	↔	Not at Target
13.Local Plan being considered out of date	Medium (6)	↔	At Target Set
14.Budget	High (16)	↔	At Target Set
15.Capacity	Medium (9)	↔	At Target Set
16.Third Party Service Delivery	Medium (9)	↔	At Target Set
17.Net Zero target	Low (4)	↔	At Target Set
18.Civil contingency risks	Medium (8)	↔	At Target Set
19.Information	Medium (8)	↔	At Target Set
20.Capital Programme	Medium (6)	↔	At Target Set
22.Local Government Reform (LGR) in Greater Lincolnshire	High (12)	↔	At Target Set
23.Health and Safety	Medium (9)	↔	Not at Target
24.AI Governance and Oversight	Medium (9)	N/A	At Target Set

Risk Scoring Matrix						
Impact	Critical		5	7		
	High	1	3; 18; 19		11; 12; 14	
	Medium		4; 20	9; 15; 16; 23; 24	22	
	Low		10; 17	8; 13		
	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	Medium (9)	↓	At Target Score
Likelihood reduced from 4 to a 3.			
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	
	Medium		5; 9	2; 3	6; 8	
	Low					
	Minimal					
		Rare	Unlikely	Possible	Likely	Almost certain

Risk Score      Colour

Minimal Risk      ■

Low Risk          ■

Medium Risk      ■






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
2: Assets – Land and Property	Minimal (1)	↔	At Target Score
4: Procurement – Contracts	Medium (8)	↑	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		4; 5			
Medium		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 (6)	↓	At Target Score
Likelihood lowered from a 3 to 2.			
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 (3)	↔	At Target Score
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	Low (1)	↓	At Target Score
Score reduced from 2,3 to 1,1			
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)	↔	Not at Target
16. Emergency repairs service (staffing)	High (12)	↔	Not at Target

Risk Scoring Matrix					
Critical	5				
High		4	16		
Medium	6; 12	2;3	1;8;13;14;15		
Low		7;9;11			
Minimal	10				
	Rare	Unlikely	Possible	Likely	Almost certain
	Likelihood				

Risk Score	Colour
Minimal Risk	<span style="display:inline-block; width:15px; height:15px; background-color:green; border:1px solid black;"></span>
Low Risk	<span style="display:inline-block; width:15px; height:15px; background-color:lightgreen; border:1px solid black;"></span>
Medium Risk	<span style="display:inline-block; width:15px; height:15px; background-color:yellow; border:1px solid black;"></span>
High Risk	<span style="display:inline-block; width:15px; height:15px; background-color:orange; border:1px solid black;"></span>
Critical Risk	<span style="display:inline-block; width:15px; height:15px; background-color:red; border:1px solid black;"></span>

### 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 enable 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**

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