

Appendix B

| Ref    | Risk name   | Risk description  | Lead   | Cause/s  | Potential impact/consequences   | Existing control measures in place  | Current risk likelihood | Current risk impact | Current risk score | Treatment (4Ts) | Planned action / future mitigation   | Action RAG | Target risk likelihood | Target risk impact | Target risk score |
|--------|---|---|--------|--|---|---|-------------------------|---------------------|--------------------|-----------------|--|------------|------------------------|--------------------|-------------------|
| SHDC01 | Failure to meet statutory requirements in regard to general fund assets | This risk identifies the need for the council to adhere to all prevailing statutory codes as they relate to council assets and functions  | AD-GFA | Poor risk management<br>Poor financial planning/management<br>Communication breakdown between council/suppliers/partners<br>Failure to monitor and adhere to current legislation and guidelines<br>Failure to consider health and safety requirements              | Failure to deliver services to residents<br>Lack of empowerment for communities and local businesses<br>Economic downturn<br>Reduction in co-location, partnership working and sharing of knowledge<br>Failure to generate efficiency gains, capital receipts and income streams<br>Reduction in quality of place/public spaces | All assets either have compliance contracts in place or local contractors with the jobs in hand. Database updated and restructure in place, with clear roles and responsibilities. Training takes place on a required basis.  | 1                       | 4                   | Low (4)            | Tolerate        | Continued implementation of asset management strategy  | N/A        | 1                      | 4                  | Low (4)           |
| SHDC03 | Retention of staff  | The recruitment of new and retention of existing staff within the organisation affecting the ability for the organisation to deliver and meet its objectives  | AD-C   | Recruitment challenges across region<br>Specialist role recruitment can be difficult<br>Competitive salaries offered at other organisations<br>Uncertain financial climate   | Failure to recruit<br>Lack of resources<br>Additional pressure on existing staff  | The workforce strategy is aligned across the 3 Councils. A training programme is in place to assist with both personal and professional development and to further develop the talents of individual employees. This programme sits alongside a package of personal support for staff. Managers are encouraged to have regular 'one to ones' with staff to ensure that they are fully supported in their roles. Appraisal process in place. We have launched our own recruitment academy which seeks to recruit and develop apprentices specifically in those services where it is harder to recruit. The new managers development programme has launched, with the first cohort inducted. We also continue to have in place our Future Leaders' Programme to support colleagues in their career development. Corporate Management Team invest time in mentoring colleagues within the organisation through both of these development programmes. | 2                       | 4                   | Medium (8)         | Tolerate        | A refresh of the Workforce Development Strategy action plan will take place this year to help ensure colleagues have the skills and confidence required to continue to want to work in Local Government post re-organisation: by 31/3/26 | N/A        | 2                      | 4                  | Medium (8)        |
| SHDC04 | Service Delivery  | The risk to service delivery, impacting residents and partners we work with.  | AD-C   | Lack of training<br>Lack of leadership<br>No resources/budget<br>Communication failure<br>Poor performance<br>Ineffective governance<br>Lack of learning/feedback  | Failure to meet needs of residents and partners<br>Negative feedback and press coverage<br>Reputational damage  | Staff resources maximised under the Partnership. Working with external partners to deliver shared priorities. HR support on recruitment and retention. Training plans. Values & behaviours work; Annual Delivery Plan, Workforce Development, policies, and procedures.   | 2                       | 3                   | Medium (9)         | Tolerate        |  | N/A        | 2                      | 3                  | Medium (6)        |
| SHDC05 | Technology infrastructure failure                                       | The loss of ICT impacting upon the organisation to operate effectively and deliver services to residents. The Council relies heavily on the ICT infrastructure for normal business operation. Whilst resilience is built into the environment, the loss of a service is always possible. Depending on the service lost, the impact could be severe  | AD-C   | Human error<br>Power failure<br>Security<br>Hardware<br>Link failure   | The Council relies heavily on the ICT infrastructure for normal business operation. Whilst resilience is built into the environment, the loss of a service is always possible. Depending on the service lost, the impact could be severe  | The Council has a series of resilience arrangements in place through its service provider, PSPS. Work is continuous to ensure these are fit for purpose across a range of areas. As part of business continuity planning, services are considering in detail how they would continue to operate should an ICT outage occur  | 2                       | 5                   | High (10)          | Tolerate        | Regular review of resilience arrangements  | N/A        | 2                      | 5                  | High (10)         |
| SHDC07 | Cyber Incident  | The risk of the council's ICT infrastructure being severely impacted as the result of a cyber incident, both in terms of downtime of systems and loss of data/information. The threat landscape across the UK is continuously increasing and appears on the national risk assessment. The Council need to constantly adapt in its security mitigation and training to ensure they are both prepared from a technical and from a people aspect | AD-C   | The threat landscape across the UK is continuously increasing and appears on the national risk assessment. The Council need to constantly adapt in its security mitigation and training to ensure they are both prepared from a technical and from a people aspect | Theft of corporate information<br>theft of financial information (eg bank details or payment card details)<br>theft of money<br>disruption to service provision<br>loss of business or contract<br>loss of trust in customers/residents and partners  | Defence in depth in the form of firewalls, Mimecast and antivirus is deployed both at the perimeter and the internal Local Area Network. The ICT team play an active part in the East Midlands WARP (Warning, Advice and Reporting Point) which allow us to have early sight of issues being experienced across neighbouring Authorities and Agencies. ICT is also a member of the CISP formed by the National Cyber Security Centre, this allows us early awareness from the central agency responsible for cyber threats across the UK as well as allowing them to monitor our environment to a degree. These mitigations afford ICT awareness of emerging threats. These mitigations afford ICT awareness of emerging threats. We have also recently enabled and implemented further cyber security controls within Mimecast which will ensure further mitigation in this area is in place.  | 3                       | 5                   | High (15)          | Tolerate        | Continued robust cyber security and training   | N/A        | 3                      | 5                  | High (15)         |
| SHDC08 | Failure to deliver the capital programme                                | There are several million pounds worth of proposed capital projects that are ongoing over the next 3-5 years, these include new schemes and renovations and repairs to existing assets, key factors such as capacity to deliver both internally and externally need to be monitored and managed as well as financial constraints and pressures.   | D-PD   | Escalating costs<br>Onsite Issues<br>Grant funding withdrawal<br>Non-compliance of grant funding obligations<br>Insufficient Pre-project planning and specs (Brief-Creep)<br>Partners withdrawal   | Reputational Damage<br>Financial impact<br>Failure to deliver council objectives<br>Reduced ability to secure future funding  | Robust programme and project management<br>Regular and structured reporting mechanisms<br>Robust and effective governance (financial and project)<br>Effective working with partners and 3rd Party delivery<br>Risk transference and mitigation<br>Requesting extra funding prior to project commencement where required  | 3                       | 2                   | Medium (6)         | Tolerate        |  | N/A        | 3                      | 2                  | Medium (6)        |
| SHDC09 | Economic Growth   | The risk of the economy of South Holland as a whole experiencing a downturn, resulting in both employment and business closures, and having a consequential impact on a range of resident wellbeing.  | D-ED   | Increasing costs<br>Fuel costs<br>Lack of transport<br>Lack of jobs/growth<br>Infrastructure/Access  | Struggling/failing local businesses;<br>Stagnating local economy;<br>Lack of inward investment;<br>Low skills and aspirations;<br>Low visitor numbers;<br>Future sustainability of the Town Centre - retail, evening economy, housing, heritage, culture, leisure, events, car parking;<br>Community perceptions.               | The council regularly monitors the impact of the local economy through regular engagement with businesses and partners. Engagement with business and the council remains high. A large proportion of the economy of South Holland is structured around the agriculture, food production and distribution, and horticultural sector which continues to be largely resilient to the effects of the pandemic on the wider economy from a demand-side perspective but continues to grapple with supply-side constraints relating to access to labour, logistics capacity, carbon reduction and supply-chain challenges that impede growth. The council's longer term economic strategy of supporting innovation and productivity in the core agri-food sector to overcome some of these challenges is intended to further support this resilience, therefore supporting the wider supply chain and business cluster within the district.              | 3                       | 3                   | Medium (9)         | Tolerate        | Continue to implement the Growth and Prosperity Plan   | N/A        | 3                      | 3                  | Medium (9)        |

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| SHDC10 | <b>Introduction of Extended Producer Responsibility</b> | The UK is undergoing a major overhaul of packaging producer responsibility legislation, which will transform the way local authorities receive funding for household waste collections. This risk covers the changes this legislation will bring which will be positive but also important to ensure we as an organisation are prepared for these changes.  | AD-N   | Reforms seek to introduce principles of extended producer responsibility (EPR) to the UK's packaging waste management sector and will, primarily, see the cost burden of collecting householders' packaging waste shift from local taxpayers to the producers of packaged products                                      | Funding Gaps<br>Negative Press<br>Budget implications  | Officers closely follow all policy and practice changes being implemented by the Government and has responded to relevant consultations. This is also being monitored through the countywide Strategic Officer Working Group. Officers are attending Defra webinars on a regular basis, and taking part in research where relevant. The SLECP Waste Improvement Programme Board is made aware of any updates from Defra.  | 2                       | 2                   | Low (4)            | Tolerate        | Pending Government guidance Risk has been reviewed and scored reduced in Q2. The government budget has provided a significant measure to reduce the risk around the introduction of the Extended Producer Responsibility (EPR) scheme by guaranteeing £1.1 billion in funding for local authorities. This assurance helps local councils plan their budgets effectively. SHDC has received notification of payment for 2025/26 - £1,231,000 | N/A        | 2                      | 2                  | Low (4)           |
| SHDC11 | <b>Implementation of the Environment Act 2021</b>       | The legislation will have an impact on the way that waste services are delivered, and will require operational changes. Changing service delivery requires financial support, and although some New Burdens has been made available information is not provided on the ongoing New Burdens revenue funding to meet the additional cost of service delivery. | AD-N   | The Environment Act 2021 allows the UK to enshrine better environmental protection into law. It provides the Government with powers to set new binding targets, including for air quality, water, biodiversity, and waste reduction. This will change and impact the way environmental services are currently delivered | Failure to comply with legislation<br>Negative effect on climate both locally and globally   | A SELCP Waste Improvement Programme Board (WIPB) is established and comprises lead members from Neighbourhoods and PSPS services. The WIPB meets monthly for progress updates. A Waste Transformation Steering Group is established, chaired by the Portfolio Holder, and supported by a Waste Delivery Group. Both groups monitor financial impact. A Programme Manager has been recruited to support the WIPB. Additionally the authorities comprising the Lincolnshire Waste Partnership work together to identify the impact of the Environment Act across the county, and make preparations for changes to service delivery.   | 4                       | 4                   | High (16)          | Treat           | Steering Group and WIPB reports to SLT and Cabinet. Project plan in place. Attending regular Defra Webinars. Review and update every quarter.   | 1/4/2026   | 3                      | 3                  | Medium (9)        |
| SHDC12 | <b>Waste Collection Round Pressures</b>                 | Increased housing growth has led to an increase in the amount of waste presented for collection each week, putting pressure on the service and preventing the collections from being fully completed each week.   | AD-N   | Housing growth<br>Unlimited waste presented for collection  | Increase in missed collections<br>Reputational Damage  | Additional resources being used to meet the extra demand and capacity pressure placed on the collection rounds  | 4                       | 4                   | High (16)          | Treat           | Decision made on the future delivery model for waste service. Policies focused on containing waste and waste minimisation, and round review will ensure collection rounds can accommodate waste presented.  | 1/5/2026   | 2                      | 3                  | Medium (6)        |
| SHDC13 | <b>Local Plan being considered out of date</b>          | The South East Lincolnshire Local Plan (2019) seeks to support proposals which assist in the delivery of economic prosperity and some 13,800 jobs in South Holland a Risk relates to failure to deliver an updated version of the local plan.   | AD-PSI | Failure to adopt in time (stopping/pausing)<br>Out of date evidence base<br>Failure to understand housing need<br>Issues with site selection processes<br>Poor co-operation and engagement<br>Misalignment with development management policies<br>Local plan out of date   | Lack of economic growth and inward investment<br>Lack of new jobs and opportunity<br>Failure to attract residents from outside of the district                   | Monitoring of the Plan policies. Taking of decision on planning applications. Review of the Local Plan where necessary.   | 3                       | 2                   | Medium (6)         | Tolerate        | Continued monitoring and reporting  | N/A        | 3                      | 2                  | Medium (6)        |
| SHDC14 | <b>Budget</b>   | Risk around the long term balancing of the budget with economic and funding uncertainty   | D-F    | Reduction of government funding;<br>Reduction in income;<br>Capital expenditure;<br>Impact of Internal Drainage Board (IDB) levy;<br>Inflation;<br>Fuel shortages;<br>Ukraine conflict  | Lack of money and lack of certainty going forward;<br>Failure to balance budget in future years  | Medium Term Financial Strategy; Budgetary process; Sound level of reserves; Continued close monitoring; Continued lobbying regarding the IDB pressure. Savings and Efficiency Plan developed to support the MTFS  | 4                       | 4                   | High (16)          | Tolerate        | Continued controls, monitoring and reporting  | N/A        | 4                      | 4                  | High (16)         |
| SHDC15 | <b>Capacity</b>   | Capacity to deliver the work programme for the Partnership/Councils   | AD-C   | The workload increasing to a point where it becomes unmanageable within existing staff resources.   | Delivery of work programme slipping. Staff wellbeing concerns. Disruption to services. Reputation reduced with partners.   | Alignment and Delivery Plan in place to help manage the work programme. Services when bringing forward new initiatives to consider the capacity required and the need to bid for capacity if it can't be accommodated within existing resources. Council report templates have a specific section on capacity. Services have been informed they can bid into the transformation reserve for short term capacity if they have a suitable proposal. Resourcing is tracked via the Assistant Director quarterly survey so concerns regarding capacity can be escalated to Leadership Team. Recent audit which linked to Capacity, Aims and Priorities gave 'Adequate Assurance'. | 3                       | 3                   | Medium (9)         | Tolerate        | Encourage Services to consider the transformation/capacity reserve for short term support where existing service capacity isn't sufficient.   | N/A        | 3                      | 3                  | Medium (9)        |
| SHDC16 | <b>Third Party Service Delivery</b>                     | Risk around resilience and quality of service delivery arrangements with third parties  | AD-C   | This risk relates to the potential for the failure of a major supplier of Council services or partners with whom the Council co-delivers/enables provision of services and operations   | In the event of a failure, either in resilience or quality, there are likely to be a mix of financial, service delivery and reputational impacts to the Council. | Assessment of business plans for key partnerships. Regular performance reports and monitoring meetings with third parties. Some key partnerships based on open book approach to financial monitoring. Regular contract meetings in place to manage risk. SELCP approach to some contracts provides resilience.  | 3                       | 3                   | Medium (9)         | Tolerate        | Continued monitoring and reporting  | N/A        | 3                      | 3                  | Medium (9)        |

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| SHDC17 | <b>Net Zero Target</b>                                       | Risk of failure to meet agreed corporate ambition of Net Zero by 2040   | AD-R | Impact on Net Zero target (i.e. carbon emissions) not fully evaluated at outset of all projects, decisions and developments and through service delivery objectives.<br><br>Financial resourcing required to decarbonise some areas may not be available.                 | Decisions taken which increase carbon emissions leading to failure to meet Net Zero ambition.<br><br>Potential reputational risk to authority. Failure to invest in a targeted and effective way.   | Carbon Reduction Action Plan approved. Partnership Environment Policy approved Q3 25/26. Climate Change Strategy approved. Green Home Grants are in delivery. Energy Advice Demonstrator in delivery.<br><br>Reporting and Monitoring of progress through Scrutiny Committee<br>Monitoring delivery of projects through Sustainable Warmth Programme Monitoring Board.   | 2                       | 2                   | Low (4)            | Tolerate        | Energy advice demonstrator funding ends in March 27, action in annual delivery plan to bid for additional funding.<br><br>There is also planned actions (via ADP) to improve the governance arrangements around reporting progress towards Net Zero and refreshing our carbon footprint through scrutiny committee.   | N/A        | 2                      | 2                  | Low (4)           |
| SHDC18 | <b>Civil contingency risks</b>                               | Community risks shared across Lincolnshire, managed in partnership with the Lincolnshire Resilience Forum (LRF) and through S&ELCP                                  | AD-R | Any incident/emergency that requires a response from the council as a category 1 responder under the civil contingencies act  | Failure in service delivery;<br>Impact on local people;<br>Reputational damage;<br>Detrimental economic impact on business; inability to support partners during an incident through LRF structures | Community Risk Register monitored by the Lincolnshire Resilience Forum (LRF);<br>Work with partners to assess, monitor, train, plan and exercise to enable effective response to and recovery from an incident. Strategic and Tactical Out of Hours duty rota in place. S&ELCP providing resilience for response and recovery from emergencies/incidents affecting a single council.<br>Strategic Management Group in place to monitor performance and report to LT Governance.<br>Partnership Emergency Plan in place for the Sub-region.<br>Business Continuity Plans in place for all critical services across the S&ELCP.<br>Partnership resilience manager appointed and in place from 1st August<br>Maintenance of service support, plans, procedures and policies across the S&ELCP to aid resilience and share learning. PSPS have also aligned BC Plans to S&ELCP   | 2                       | 4                   | Medium (8)         | Tolerate        | BC Policy to be developed in 25/26 together with the establishment of a BC Steering Group with Terms of Reference to align with ISO22301 Business Continuity Mangement System   | N/A        | 2                      | 4                  | Medium (8)        |
| SHDC19 | <b>Information</b>   | Risk of failure to comply with Information Governance and Management requirements   | AD-G | Increased understanding of the public's right to information means that we have to be fully aware of our legal duties. The increase in data also means we have to be able to manage information more effectively, including reducing the amount of unnecessary data held. | Data protection breaches which can result in significant fines from the Information Commissioner's Office.  | All employees receive annual online training in data protection. Arrangements are in place to ensure that the organisation is compliant with the new General Data Protection Regulation (GDPR) requirement, including lead staff attending training. PSPS also have a lead officer overseeing compliance. An experienced Data Protection Officer is in place who monitors training, compliance and development of policy; also, full assessment of any breaches, providing recommendations for continual improvement. There is now additional resilience with two qualified DPOs in place across the Partnership which allows for cover.   | 2                       | 4                   | Medium (8)         | Tolerate        | Continued monitoring, reporting and training  | N/A        | 2                      | 4                  | Medium (8)        |
| SHDC20 | <b>Capital Programme</b>                                     | Failure to deliver Major capital schemes within the capital programme   | D-PD | Escalating costs<br>Onsite Issues<br>Grant funding withdrawal<br>Non-compliance of grant funding obligations<br>Insufficient Pre-project planning and specs (Brief-Creep)<br>Partners withdrawal  | Reputational Damage<br>Financial impact<br>Failure to deliver council objectives<br>Reduced ability to secure future funding  | Robust programme and project management<br>Regular and structured reporting mechanisms<br>Robust and effective governance (financial and project)<br>Effective working with partners and 3rd Party delivery<br>Risk transference and mitigation<br>Requesting extra funding prior to project commencement where required   | 2                       | 3                   | Medium (6)         | Tolerate        | Continued robust project management   | N/A        | 2                      | 3                  | Medium (6)        |
| SHDC22 | <b>Local Government Reform (LGR) in Greater Lincolnshire</b> | LGR would lead to the creation of new Councils to replace existing Councils   | AD-C | English Devolution White Paper  | If LGR proceeds, there will be a period of uncertainty for Members, Officers and the community.   | Regular staff and member briefings are taking place to share the latest information. Councils will work together to ensure the community is well informed.   | 4                       | 3                   | High (12)          | Tolerate        |   | N/A        | 4                      | 3                  | High (12)         |
| SHDC23 | <b>Health and Safety</b>                                     | Risk of failure to comply with Health and Safety requirements   | AD-R | The Council has a clear responsibility to both staff and recipients of services under Health and Safety legislation and needs to effectively manage its responsibilities.   | There can be consequences to the organisation's finances and reputation relating to non-compliance of health and safety requirements. There is also the risk of harm to individuals.                | The establishment of the S&ELCP has increased the resilience and capability of the 3 partner councils. Resources can be more easily shared across the sub-region and procedures and policies are being harmonised, with assistance from PSPS, to provide a more efficient and effective approach towards H&S compliance.<br>The partner Councils receive specialist Health and Safety advice from Public Sector Partnership Services who support the Partnership Health and Safety Governance Group (chaired by the Assistant Director – Regulatory) and each sovereign council Staff Health and Safety Forum. Both operate under agreed terms of reference and feed into the LT – Governance. LT Governance receive minutes and recommendations for approval from the Governance Group and the staff Forums. Policies and procedures are revised by PSPS, consulted upon through Staff H&S forums before being received and approved by the Governance Group and referred to LT Governance for information.<br>Health and Safety is included within Internal Audit's annual audit plan. | 3                       | 3                   | Medium (9)         | Treat           | Director of communities is hosting fortnightly health and safety clinics with managers of outstanding actions to accelerate closure and completion. Objective is to reduce overdue outstanding actions to zero.<br>An audit has been undertaken by a 3rd party auditor of overdue outstanding actions processes which has delivered an adequate assurance level has led to a number of recommendations which will be implemented through Q3 25/26 and Q4 25/26.<br>A review of the SLA with PSPS is underway to ensure the service provider delivers for the partnership, secures service improvements and delivers the recs of the internal audit. | 31/12/25   | 2                      | 3                  | Medium (6)        |
| SHDC24 | <b>AI Governance and Oversight</b>                           | The rapid adoption of AI across council services may outpace governance, leading to unmanaged risks in data privacy, compliance, service quality, and public trust. | AD-C |   |   | AI Working Group, risk register, legal review, staff training and comms, regular monitoring by IT and Information Governance teams.  | 3                       | 3                   | Medium (9)         | Treat           | AI Audit due to take place in Q4, this will give a broader understanding of areas we may need to improve AI governance and controls at which point we can review risk.  | 31/3/2026  | 2                      | 3                  | Medium (6)        |