



Report To: Governance and Audit Committee

Date: 2nd July 2026

Subject: Quarter 4 Risk Report 25/26

Purpose: To provide an update on risk as at the end of March 2026

Key Decision: No

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

Report Of: John Medler, Service Director – Legal and Governance

Report Author: Richard Baldwin, Strategic Performance Analyst

Ward(s) Affected: All

Exempt Report: No

Summary

This is the quarterly report covering risk monitoring information for Quarter 4 of 2025/26 (as at the end of March 2026).

Recommendations

That the Committee considers and notes the quarterly risk monitoring information for Q4 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





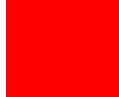
2. Risk management (Appendices A, B and C)

- 2.1 The strategic risk register has been reviewed for Q4, as at the end of March 2026.
- 2.2 A summary of the risks and scores are set out in the table below, with full details in Appendices A, B and C.
- 2.3 Each strategic risk includes a target status to indicate whether it is currently being managed at its target level. Where action needs to be taken to move the risk to its target level, planned action is set out and tracked with a RAG (Red, Amber, Green) rating to indicate if it is on track or overdue. This provides assurance that actions are progressing as expected and helps identify where further attention may be needed.
- 2.4 The Action RAG column in the table indicates that no planned action is required to move the target level (N/A) or a date for the planned action to be undertaken with a RAG rating of red if overdue.
- 2.5 Where risks have been removed/retired, the remaining reference numbers stay the same, to retain an audit trail. So, the missing numbers in the sequence in the tables below are for closed risks.

South Holland Strategic Risks	Risk score	Direction of travel	Action RAG
1: General Fund Assets	L (4)	↔	N/A
3: Retention of staff.	-	-	-
Q4 update: risk removed as this is covered under Capacity (15) below			
4: Service Delivery	-	-	-
Q4 update: risk moved to partnership risk register			
5: Technology infrastructure failure	H (10)	↔	N/A
7: Cyber Incident	H (15)	↔	N/A
8: Failure to deliver the capital programme	M (6)	↔	N/A
9: Economic Growth	M (9)	↔	N/A
10: Extended Producer Responsibility (EPR)	L (4)	↔	N/A
Q4 update: wording and planned action reviewed and updated. SHDC has received first payments for Year 1 of EPR, and notification of Year 2.			
11: Implementation of the Environment Act	H (16)	↔	30/06/2026
Q4 update: wording and planned action reviewed and updated			
12: Waste Collection Round Pressures	M (6)	↓	N/A

South Holland Strategic Risks	Risk score	Direction of travel	Action RAG
Q4 update: risk score reduced from high to medium as decision on future delivery model has been made. Project to implement and delivery is now underway with its own risk register.			
13: Local Plan	H (12)	↑	31/12/2026
Q4 update: wording and scoring updated to reflect new Plan Making Regulations published in March 2026. Impact increased from 2 to 4. Overall risk from medium to high			
14: Budget	H (16)	↔	N/A
15: Capacity	M (9)	↔	N/A
Q4 update: wording reviewed and updated; Capacity, Change Readiness and Workforce Resilience			
16: Third Party Service Delivery	M (9)	↔	N/A
17: Net Zero target	L (4)	↔	N/A
Q4 update: wording reviewed and updated			
18: Civil contingency risks	M (8)	↔	N/A
Q4 update: wording updated; no change to scoring			
19: Information	M (8)	↔	N/A
20: Capital Programme	-	-	-
Q4 update: risk removed as this is covered under failure to deliver the capital (8) above			
22: Local Government Reform (LGR)	-	-	-
Q4 update: in both Council and Partnership registers so removed from here to avoid duplication.			
23: Health and Safety	M (6)	↓	N/A
Q4 update: wording reviewed and updated; all planned actions complete; overall risk score reduced from 9 to 6 (reduced likelihood); treatment reverts back to tolerate			
24: AI Governance and Oversight	M (9)	N/A	30/09/2026
Q4 update: wording and planned action reviewed and updated			

Risk Scoring Matrix						
Impact	Critical		5	7		
	High	1	18; 19	13	11; 14	
	Medium		12; 23	9; 15; 16; 24		
	Low		10; 17	8		
	Minimal					
		Rare	Unlikely	Possible	Likely	Almost certain
		Likelihood				

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

2.6 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


2.7 The strategic risks for the Partnership have also been reviewed for Quarter 4, as at the end of March 2026.


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


SELCP Partnership Risks	Risk score	Direction of travel	Action RAG
SELCP-01: Vision	M (8)	↔	N/A
SELCP-02: Trust	M (9)	↔	N/A
SELCP-03: Sovereignty	M (9)	↔	N/A
SELCP-05: Culture	M (6)	↔	N/A
SELCP-06: LGR	H (12)	↔	N/A
Q4 update: wording reviewed and updated.			
SELCP-07: Funding	H (16)	↔	30/06/2026
Q4 update: Wording and planned action reviewed and updated.			
SELCP-08: Staffing	H (12)	↔	30/06/2026
Q4 update: Wording and planned actions reviewed and updated.			
SELCP-09: PSPS	M (6)	↔	N/A
SELCP-10: Service Delivery	M (6)	↔	N/A
Q4 update: Risk moved from Council risk register to avoid duplication.			


Risk Scoring Matrix						
Impact	Critical					
	High		1		7	
	Medium		5; 9; 10	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 

2.9 The fraud risks have also been reviewed for Q4, as at the end of March 2026.

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

Fraud Risks	Risk score	Direction of travel	Action RAG
1: Asset - Equipment	Min (1)	↔	N/A
3: Assets – Land and Property	Min (1)	↔	N/A
4: Procurement – Contracts	Med (8)	↔	N/A
5: Procurement – Contract Payments	Med (8)	↔	N/A
6: Council Tax – Credit Refund and Income Fraud	Med (6)	↔	N/A
7: Council Tax Fraud	Low (4)	↔	N/A
8: Council Tax Support Scheme	Low (4)	↔	N/A
9: National Non-Domestic Rate (NNDR) Fraud	Med (9)	↔	N/A
10: Housing Benefit Fraud	Low (4)	↔	N/A






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	

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

South Holland HRA Risks	Risk score	Direction of travel	Action RAG
1: Business continuity	M (9)	↔	N/A
2: Health and Safety	M (6)	↔	N/A
3: Risk oversight	M (6)	↔	N/A
4: Management of health and safety	M (8)	↔	N/A
5: Management of health and safety of DLO	M (5)	↔	N/A
6: Data	L (3)	↔	N/A
7: Listening to tenants	L (4)	↔	N/A
8: Tenant engagement resource	M (9)	↔	N/A
9: Qualification requirements	L (4)	↔	N/A
10: HRA business plan	Min (1)	↔	N/A
11: Regulatory Consumer Standards	L (4)	↔	N/A
12: Failure to self-refer to the regulator	L (3)	↔	N/A
13: Impact of Awaab's law	M (6)	↔	N/A
Q4 update: target risk score amended to reflect treatment is tolerate			
14: Minimum Energy Efficiency Standards	M (9)	↔	30/06/2026
15: HRA business plan (Additional)	M (9)	↔	30/06/2026
16: Emergency repairs service (staffing)	H (12)	↔	30/06/2026

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

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

Exception reporting of operational and project risks, in line with our Risk Framework:

- High operational/project risks – being closely managed by lead officers and reviewed by Service Directors:
 - Recruitment and Retention: Waste
 - Planning Software retiring 2027
 - Affordable housing
 - Identification and Suitability of future Depot Accommodation
 - Information Governance - impact of new Code of Complaints
 - Parkwood Leisure Provision

- New operational risks have been added in the last year following audits, relating to the Council's relationship with PSPS, grant administration and AI. All are medium risks and are being managed in line with our Risk Framework.

3 Conclusion

3.1 The performance and governance reporting and review arrangements support the Council to manage its services in an effective and efficient manner.

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
- 2Y: 2 year rolling period
- A&G: Audit & Governance Committee
- AI: Artificial Intelligence
- B&B: Bed & Breakfast accommodation
- BAU: Business As Usual
- CC: Customer Contact
- DD: Direct Debit
- EAP: Employee Assistance Programme
- KPIs: Key Performance Indicators
- LGR: Local Government Reorganisation
- OFLOG: Office for Local Government
- Q: Quarterly (Q1: April to June; Q2: July to September; Q3: October to December; Q4: January to March)
- NDR: Non-domestic rates (business rates)
- R&B: Revenues & Benefits
- SLA: Service Level Agreement
- SLT: Senior Leadership Team
- YE: Year End (April to March)

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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