



Audit Committee
26 September 2025

Item

Public



Strategic Risk Update

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Cabinet Member (Portfolio Holder):		Cllr Roger Evans	

1. Synopsis

- 1.1 Audit Committee regularly review the Council's underlying risk exposure by considering the Council's Strategic Risks. This report sets out the current strategic risk exposure following the June 2025 bi-annual review and subsequent discussions/ amendments.

2. Executive Summary

- 2.1 The management of the strategic risks is a key process which underpins the successful achievement of our priorities and outcomes. Strategic risks are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes.

3. Recommendations

- 3.1 Members are asked to accept the position as set out in the report.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1 The authority has an Opportunity Risk Management Strategy which details the methodology to be followed when identifying and monitoring risks which affect the Council.
- 4.2 The risks identified can either be operational, project or strategic risks. This report refers to the strategic risks, i.e. those risks which affect the Council as a whole (not project or particular service area specific).

5. Financial Implications

- 5.1 Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):
 - scaling down initiatives,
 - changing the scope of activities,
 - delaying implementation of agreed plans, or
 - extending delivery timescales.
- 5.2 If the strategic risks are not well managed, then this could lead to severe financial implications for the council.
- 5.3 There are two strategic risks specifically financial related, but all the strategic risks will have a financial implication for the whole authority to some degree.

6. Climate Change Appraisal

- 6.1 The importance of Climate Change is recognised within the council and as such it is listed as a strategic risk with a score of Likelihood 4, Impact 4 making it a high scoring risk.

7. Background

- 7.1 Our strategic risks are reviewed on a bi-annual basis ensuring that the level of risk exposure is monitored regularly in our rapidly changing environment.
- 7.2 The review was undertaken through virtual meetings with the nominated strategic risk leads, assurance providers and Executive Directors.
- 7.3 An annual workshop also takes place with the Executive Management team to undertake a deep dive of the entire strategic risk exposure. The risks are assessed for ongoing relevancy, whether they need to be redefined or re-allocated and also whether new strategic risks need to be considered for inclusion.

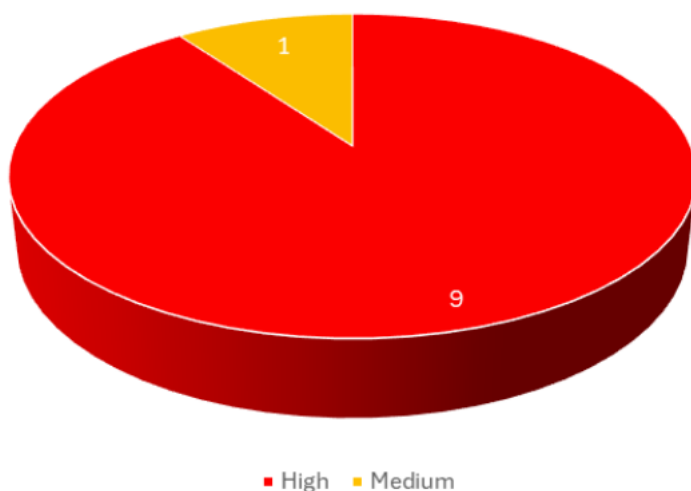
- 7.4 The Strategic Risks are held within a SharePoint site where controlled access is available for everyone who has controls assigned to them and access is available to the Executive Management Team. The risks are therefore able to be updated in real-time.
- 7.5 Following the bi-annual review and workshop, there are currently eleven strategic risks on the risk register, and these are each managed by specific Executive Directors. These are detailed below together with the direction of travel following the review:

Risk	Risk Owner	Dec 2023 Status L X I	June 2024 Status L X I	Dec 2024 Status L X I	June 2025 Status L X I	Travel
Failure to protect from and manage the impact of a targeted cyber-attack on ICT Systems used by the Authority.	James Walton	5x5 25	5x5 25	5x5 25	5x5 25	=
Inability to contain overall committed expenditure within the current available resources within this financial year.	James Walton	-	3x5 15	5x5 25	5x5 25	=
Inability to set a balanced budget for a given year within the MTFS.	James Walton	-	4x4 16	5x5 25	5x5 25	=
Failure of Officers and Members to adhere to Governance arrangements.	James Walton	4x3 12	4x3 12	5x4 20	5x4 20	=
Health & Wellbeing of The Workforce.	James Walton	5x4 20	5x4 20	5x4 20	5x4 20	=
Critical Skills shortage impacting on Recruitment, Retention & Succession Planning.	James Walton	5x4 20	5x4 20	5x4 20	5x4 20	=
Impact of extreme pressures upon partners (social care, health, and criminal justice)	Rachel Robinson/ Tanya Miles	-	5x4 20	5x4 20	5x4 20	=
Responding and Adapting to Climate Change within our Available Financial Resources.	Andy Begley	4x4 16	4x4 16	4x4 16	4x4 16	=
Impact of increased waiting lists in relation to DoLs, OT and SI.	Tanya Miles	-	4x4 16	4x4 16	4x4 16	=
Safeguarding Children.	Tanya Miles	-	3x4 12	3x4 12	3x4 12	=
DRAFT - Failure to set clear strategic direction for the housing portfolio.	-	-	-	-	-	-
Economic Growth Strategy	-	3x4 12	3x4 12	3x4 12	Archived	-

7.6. Our current exposure plotted on our matrix looks as follows:

		LIKELIHOOD SCORE				
		1	2	3	4	5
Impact Score	5					3
	4			1	2	4
	3					
	2					
	1					

7.7. Our overall current risk exposure following the latest review is demonstrated below. This shows that the strategic risk exposure above our tolerance level (i.e. high and medium risks) is currently 100% with all current strategic risks being either high or medium risks.



7.8. During the review of the economic growth risk at the leadership board, the decision was taken to archive this risk. It was agreed that a new risk will need to be created around economic growth and will be discussed at the next strategic risk workshop.

7.9 The new risk 'failure to set clear strategic direction for the housing portfolio' was agreed as a strategic risk at leadership board recently and is currently being built up, therefore it is still in draft format.

8. Additional Information

- 8.1 The strategic risk profiles which sit behind each strategic risk, incorporate in greater detail the risk description, the current controls and the outstanding actions which are in place.
- 8.2 Leadership board review each strategic risk one by one on a cyclical basis at their regular meetings. A risk is considered and challenged at a high level to ensure it is still relevant and to monitor the controls proposed for mitigation. The score and target score are considered, and future implications considered.
- 8.3 There will be a strategic risk workshop with leadership board and the risk team in Autumn 2025 where current risks will be considered as well as emerging ones.

9. Conclusions

- 9.1 The report details the changes to the strategic risk profile following the review in June 2025.
- 9.2 Audit Committee can at any time elect to have a more detailed examination of any of the strategic risks and can invite the risk owners to a committee meeting to discuss their risks.
- 9.3 The next review of Strategic Risks takes place in December 2025 and a report will be provided to Audit Committee in February 2026.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member:

Appendices None