

<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Executive Member for Finance and Governance Director of Legal and Governance Services
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	19 July 2023
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<b>Title:</b>	Risk and Opportunity Management Policy
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	All
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<b>Key decision:</b>	No
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<b>Why:</b>	Decision does not reach the threshold to be a key decision
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<b>Urgent:</b>	No
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<b>Why:</b>	Not Applicable
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<b>Executive summary</b>
<p>This report sets out the Risk and Opportunity Policy 2023-2026.</p> <p>The policy forms part of the corporate governance policy framework underpinning the Council's Strategic Plan and sets out how the Council will ensure that risks are effectively managed, and opportunities exploited to deliver strategic priorities for the town.</p>

**Purpose**

1. The purpose of this report is to seek Executive approval for the refreshed Risk and Opportunity Management Policy.

**Background and relevant information**

2. The Risk and Opportunity Management policy sets out the Council’s approach to risk and opportunity management to ensure there is an effective, consistent and joined up approach to risk across the Council that will:
  - ensure that proactive risk and opportunity management is embedded within the culture of the Council, and is integral to the business planning and performance management;
  - ensure that the risk and opportunity management cycle and associated processes are implemented consistently and proportionately across the Council; and
  - communicate the Council’s approach to risk and opportunity management to all employees and stakeholders.
3. The Policy sets out the Council’s risk appetite and the cycle that is in place to ensure risk and performance are managed.

The risk appetite as set out in the policy states that:

- Any current RED risks (with a current score of above 12 on the Council’s risk matrix) must be wherever possible managed down to the lowest practicable level immediately.
- Any current AMBER risks (with a current score of 6-10) must be wherever possible managed down to the lowest practicable level within three months.
- Any current GREEN risks are accepted and no specific action is required

Almost Certain >80%	5	Low (5)	Medium (10)	High (15)	High (25)	High (35)
Likely 51% - 80%	4	Low (4)	Medium (8)	High (12)	High (20)	High (28)
Possible 21% - 50%	3	Low (3)	Medium (6)	Medium (9)	High (15)	High (21)
Unlikely 6- 20%	2	Low (2)	Low (4)	Medium (6)	Medium (10)	High (14)
Rare <6%	1	Low (1)	Low (2)	Low (3)	Low (5)	Medium (7)
		1	2	3	5	7
		Insignificant	Minor	Moderate	Major	Extreme
		Impact				

4. The Council has in place three levels of risk management within the scope of this policy as set out below. Movement within the Strategic Risk Register is reported to members of Executive on quarterly basis:

- Level 1 Strategic Risks
- Level 2 Directorate level risks
- Level 3 Project/Programme level risks.

5. Operational risk is managed separately, within the Health and Safety policy framework.

**What decision(s) are being recommended?**

6. That the Executive approves the Risk and Opportunity Management Policy 2023- 2026 which is appended to this report at Appendix One.

**Rationale for the recommended decision(s)**

7. The policy is being updated to ensure the content remains relevant and complies with latest legislation and best practice.

**Other potential decision(s) and why these have not been recommended**

8. Not applicable.

**Impact(s) of the recommended decision(s)**

***Legal***

9. The policy enables the Council to continue to manage risk in relation to statutory compliance and service delivery.

***Strategic priorities and risks***

10. The Risk and Opportunity Management policy provides a framework for management of risk across the Council, aligned with the Council’s current financial and performance position. Quarterly reporting of the strategic risk register and associated estimated financial exposure will be reported to Executive and Overview and Scrutiny Board on a quarterly basis.

***Human Rights, Equality and Data Protection***

11. Not applicable.

***Financial***

12. The policy is deliverable within the currently approved budget.

**Actions to be taken to implement the recommended decision(s)**

Action	Responsible Officer	Deadline

**Appendices**

1	Risk and Opportunity Management Policy
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**Background papers**

Body	Report title	Date
Executive	Delivery the Strategic Plan 2020 – 2023	18 February 2020

Contact: Ann Marie Johnstone  
Email: [ann-marie\\_johnstone@middlesbrough.gov.uk](mailto:ann-marie_johnstone@middlesbrough.gov.uk)