














Appendix 3: Strategic Risk register








Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-01	<p>Failure to set a legal and balanced annual budget and to maintain a sustainable Medium Term Financial Plan (MTFP)</p> <p>The Council is required to set a legally balanced revenue budget by 11 March in advance of each forthcoming financial year. Failure to achieve this objective will require the s151 Officer to issue a statutory s114 Notice to the Council.</p> <p>The Council has a best value duty to set and maintain a sustainable and balanced Medium Term Financial Plan including maintenance of its reserves position to demonstrate financial resilience to be able to respond to unforeseen and complex financial challenges presented by the wider economic environment.</p>	 35	 35	 21	Director of Finance
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<ul style="list-style-type: none"> Responsibility and Accountability for Financial Management reinforced by Accountability Agreements for all Directors 		Development of balanced 2024/25 Budget and MTFP to 2026/27	Director of Finance 	Director of Finance	11-Mar-2024
<ul style="list-style-type: none"> Monthly budget monitoring, forecasting, and tracking of savings delivery by Directors with accountability to the Interim 		Refresh of the 2025-26 MTPS process	Head of Financial Planning 		28-Jul-2024



<p>CEO through LMT and development and delivery of financial recovery plans to control within approved budget</p> <ul style="list-style-type: none"> • Monthly budget challenge sessions chaired by Director of Finance for all Directorates to enable development of insight, understanding and wider collaboration of colleagues in order to address significant financial risks. • Timely briefing of Mayor and Executive Members on significant financial challenges with agreement for action. • Quarterly budget challenge sessions chaired by the Executive Member for Finance & Governance to engage Executive Members. • Monthly monitoring of income budgets, council tax and business rates collection rates and debt levels. • Update MTFP ahead of Council Planning and budget setting process for 2024/25. • Implementation of budget management Power BI dashboard over Business World financial management system in order to improve accessibility of financial information for Directors, Heads of Service and Budget Manager. • Implementation and expansion of purchase to pay compliance dashboards for use by Directors, Heads of Service and Budget Managers to drive increase in compliant procurement in relation to retrospective ordering, on vs off contract spend and use of purchase cards 	<p>Failure of the Recover, Reset, Deliver Transformation Portfolio</p>	<p>Chief Executive </p>		<p>31-Mar-2025</p>
	<p>Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings</p>	<p>Chief Executive </p>		<p>31-Mar-2025</p>
	<p>Monthly budget monitoring to be put in place</p>	<p>Director of Children's Care; Director of Children's Services </p>		<p>31-Mar-2024</p>
	<p>Monthly budget monitoring to be put in place</p>	<p>Director of Adult Social Care and Health Integration </p>		<p>31-Mar-2024</p>

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-02	<p>Volatility in the demand, complexity and cost of children’s social care.</p> <p>The risk that demand and cost of and children’s social care continues to escalate on the scale experienced in 2022/23, is the single biggest risk to the Councils financial viability. More financially sustainable solutions for meeting social care needs of children need to be secured with urgency to ensure delivery within the approved budget for 2023/23.</p>	 <p>35</p>	 <p>35</p>	 <p>21</p>	Director of Children's Services
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<p>Children's input</p> <ul style="list-style-type: none"> Weekly activity data through Chat reports/ data Moving to monthly financial monitoring Development of demand model 		Weekly placements panel to be put place for high cost placements	Director of Children's Care 	Director of Children's Care; Director of Children's Services; Director of Education and Partnerships	30-Jun-2023
		Review Placements Manager post	Claire Walker 		29-Feb-2024
		Monthly budget monitoring to be put in place	Director of Children's Care; Director of Children's Services 		31-Mar-2024

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-03	<p>Volatility in the demand and cost of adult’s social care</p> <p>The potential for underlying demand and cost pressures to arise in adult social care presents a significant risk to the Council’s overall financial viability and measures must be put in place to manage within approved budget.</p>	 <p>35</p>	 <p>20</p>	 <p>9</p>	Director of Adult Social Care and Health Integration




Current Mitigation	Future Mitigation	Responsible Officer	Director	Target Date
Local Government settlement Budget Management process Contract management processes Savings programme in place Demand model in place Monthly demand reported to DMT - activity not just finance	Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration	 Director of Adult Social Care and Health Integration	31-Mar-2024




Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-04	Unlawful decision by the Council If the Council took a decision that was unlawful then there is a risk of legal challenge or regulatory action that could damage its reputation and its financial position.	 35	 15	 6	Director of Legal and Governance
Current Mitigation	Future Mitigation	Responsible Officer	Director	Target Date	
Council constitution and supporting policy framework Corporate policies and procedures	Refresh the committee report format	Ann-Marie Johnstone		Director of Legal and Governance	31-Jul-2023
Compliance checks across key areas including HSE, Risk etc, covering the corporate governance framework	Review the report development process	Ann-Marie Johnstone			31-Jul-2023
Standard report formats	Complete delivery of the Corporate Governance Improvement Plan	Ann-Marie Johnstone			31-Jul-2024
Statutory officer posts to oversee governance Annual Governance Statement assessment process	Complete delivery of the Section 24 Action plan	Ann-Marie Johnstone			30-Sep-2024





Internal and external audit processes Refreshed whistleblowing policy Legal and finance report clearance process	Progress report on improvement against the Best Value Notice by the independent Board considered by Council	Ann-Marie Johnstone			31-Mar-2024
	Progress report on improvement against BV notice considered by Executive	Ann-Marie Johnstone			30-Jun-2024







Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-05	Serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations	If a serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations then this could result in financial and reputational damage and individual prosecutions of staff.	 35	 15	 10	Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
Comprehensive suite of Health and Safety policies and procedures.		Fire Safety Management Policy Statement	Director of Regeneration; Gary Welch		Chief Executive; Director of Environment & Community Services; Director of Legal and Governance	31-Jul-2023
Mandatory and complimentary Health and safety training for all Council staff.		CEO to produce H&S Statement of Intent for the Council.	Chief Executive; Gary Welch			31-Jul-2023
Dedicated HSE Advisor team		Risk from reinforced autoclaved aerated concrete (RAAC) collapsing in maintained schools or other Council assets	Director of Regeneration; Richard Horniman			30-Aug-2024
Incident investigation system (My Compliance) to learn from incidents.		Implementation of service area audits by the health and safety unit to give	Gary Welch			31-Mar-2025
HSE intranet page with important HSE information						
Audit schedule						


HSE steering group Fire Management System implemented across Council premises.	further assurance of sound HSMS within directorates.			
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



Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-06	Understand and implement the requirements of the social care reform	If the Council is unable to understand and implement the requirements of the social care reform, then it could be non-compliant with the law, incur unbudgeted financial pressures, have adverse inspection outcomes and as a result be exposed to reputational damage and budget pressures.	 25	 15	 10	Director of Adult Social Care and Health Integration
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
<ul style="list-style-type: none"> Project in place with two dedicated staff Governance documentation in place etc 					Director of Adult Social Care and Health Integration	

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-07	Unable to recruit and retain key staff	If the Council is unable to recruit and retain key staff , then this could impact on their ability to provide effective leadership, deliver critical services which could cause harm to people and could result in government intervention.	 15	 9	 3	Director of Legal and Governance

Current Mitigation	Future Mitigation	Responsible Officer	Director	Target Date
Benchmarking salaries against other local authorities and similar roles in other disciplines to remain competitive.	Benchmark grades and salaries against NE local authorities	Kerry Rowe 	Director of Legal and Governance	31-Jul-2023
Work/life balance system such as agile working, 9 day fortnight, collaboration areas etc..	Review recruitment process	Nicola Finnegan 		31-Oct-2023
Advertising roles on multiple platforms such as LinkedIn and other social networking sites with the aim of reaching target audience.	Create new people and cultural transformation strategy	Nicola Finnegan 		31-Oct-2023
	review the people strategy after the first year of implementation	Nicola Finnegan 		30-Nov-2024




Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-08	Fail to ensure a sound approach to cyber security If the Council fails to ensure a sound approach to cyber security (technology, processes and awareness), then this could result in a cyber-attack which disrupts service delivery, increases risks to service users and incurs significant financial costs to respond to and recover from an attack.	 35	 14	 10	Director of Legal and Governance; Stephanie Bradley; Gemma Cooper; Ben Knudsen
Current Mitigation	Future Mitigation	Responsible Officer	Director	Target Date	
* Annual ICT healthchecks (Internal and external penetration testing).	Refresh approach to cyber security training	Stephanie Bradley; Gemma Cooper 	Director of Legal and Governance	30-Sep-2023	
* Compliance with PSN and PCI standards.	Attain PSN accreditation	Stephanie Bradley; Ben Knudsen 		30-Jun-2024	
* Internal scanning as new systems go live.	Review Cyber Security Training Strategy	Stephanie Bradley; Ben Knudsen 		30-Jun-2024	


<ul style="list-style-type: none"> * Robust defence systems including firewalls, content filtering and endpoint protection. * Robust 60 day patching and maintenance cycle. * Test complete and continue to test. * Healthcheck recommendations reviewed and implemented. * Membership of North East WARP and CiSP. * Use of Protective DNS. * Robust backup regime, including off-line tape backups to ensure recovery. 	Benchmark against Cyber Assessment Framework	Stephanie Bradley; Ben Knudsen 	01-Dec-2024
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Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-09	<p>Corporate Governance arrangement not fit for purpose</p> <p>If the Council's Corporate Governance arrangements are not fit for purpose and appropriate action is not taken to rectify this at pace, this could result, censure from the Council's auditors within a public interest report that would damage the Council's reputation and/or in government formal intervention including removal of powers from officers and members and direction of council spend.</p>	 15	 28	 9	Director of Legal and Governance
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
		Refreshed approach to corporate governance agreed by council	Ann-Marie Johnstone 	Director of Legal and Governance	31-Jul-2023

<p>External reports commissioned on Corporate governance and findings reflected within a Corporate Governance Improvement Plan</p> <p>Improvement Board in place</p> <p>Detailed improvement plan in place that has delivered a range of changes to corporate governance processes</p> <p>Annual Governance Statement process and supporting action plan. Draft AGSs in place for both 2021/22 and 2022/23</p> <p>Regular reports to Audit Committee on aspects of corporate governance to provide assurance</p>	Corporate peer review held to assess process	Ann-Marie Johnstone			31-Oct-2024
	Develop the detailed delivery plan	Gemma Cooper			30-Sep-2023
	Progress report from MIIAB to Council by end March 2024	Ann-Marie Johnstone			31-Mar-2024
	Progress report from MIIAB to Executive by end June 2024	Ann-Marie Johnstone			30-Jun-2024

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-10	<p>Negative Impact of Mayoral Development Corporation</p> <p>If the Council's ambitions for town centre regeneration or the wider financial sustainability of the organisation are negatively impacted by the establishment of a Mayoral Development Corporation that would take over some of the Council's existing statutory roles. This could potentially result in a lack of investment in the town, reduction in the Council's business rates income, loss of commercial income and reduction in asset holdings affecting the Council's financial viability. Reputational damage is also possible through the incorrect discharge of responsibilities such as town planning or business rate relief.</p>				Director of Regeneration
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date

Council representation on the board of the MDC	Heads of Terms agreed on individual asset transfers	Director of Regeneration		Director of Regeneration	30-Jun-2024
Pushing for no detriment clauses in the MDC constitution	Delivery of planning functions until robust alternative is in place	Director of Regeneration			31-Dec-2023
Engagement with TVCA on the development of future MDC projects	Agree robust business rates protocols	Janette Savage			30-Jun-2024

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-11	Failed Partnerships	If the Council and its partners do not have the collective capacity to deliver system wide change to key issues such as public health, crime and safeguarding, then this could result in the population's health, wellbeing and safety declining.				Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
Partnership governance register in place. Partnership governance annual assurance report and supporting register in place to assess the health of key partnerships.		Refresh of the Partnership Governance register	Ann-Marie Johnstone		31-Dec-2023	
<u>Children's Controls</u> All partnerships contain TOR - Partners contribute. External scrutiny of partnerships. New Mayor to chair Corporate Parenting Board. Formal reporting process in place - record of discussion and decision making.		Community Cohesion	Marion Walker		Chief Executive 19-Jul-2024	

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-12	Fail to deliver quality practice within children's safeguarding services	If the Council fail to deliver quality practice within children's safeguarding services then this may result in further government intervention, serious harm to individuals and loss of financial control.	 35	 28	 10	Director of Children's Services
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
Delivered Children's services improvement plan Improvement board in place External oversight of progress from DFE Monthly performance monitoring reports		Implementation of post ILACs improvement plan	Director of Children's Care	Director of Children's Services	31-Jan-2024	
		Creation and recruitment to the head of Quality Principal Social Work Learning and Review	Director of Children's Care		30-Sep-2023	
		Review progress in delivery of the ILACS improvement plan to assess progress and impact of actions	Director of Children's Care; Director of Children's Services		30-Apr-2024	
		Complete delivery of the ILACs improvement	Director of Children's Care; Director of Children's Services		31-Jan-2025	