

MIDDLESBROUGH COUNCIL



Report of: Director of Legal and Governance Services (Monitoring Officer)

Submitted to: Audit Committee

Date: 20 February 2025

Title: Risk Management: Bi-Annual Strategic Risk Register Review

Report for: Information

Status: Public

Council Plan priority: All

Executive summary

This report provides a mid-year update to the Committee on the current content of the Council's Strategic Risk Register. Provision of this report supports the Committee to fulfil its governance and oversight responsibilities.

Purpose

1. The purpose of this report is to outline the Council's approach to strategic risk management, summarises activity in the past six months to provide the Committee with assurance that the Council has robust risk management arrangements in place.

Recommendations

2. That the Committee considers whether the arrangements in place to manage risk and provide assurance that strategic risks are being effectively managed within the risk management framework across the Council are adequate.

Rationale for the recommended decision(s)

3. To support the Committee to discharge its responsibility to maintain an overview of arrangements in place to ensure good governance.

Background and relevant information

4. Risk management is a critical element of corporate governance and is a statutory requirement for public sector organisations. The council is required to provide for the health and safety of its elected members, employees, and those that it serves. It has a duty to ensure effective planning for civil emergencies and is required to protect its assets and to take steps to minimise losses and liabilities.
5. The purpose of Risk Management is to identify and manage risks to reduce their likelihood of occurring and also reduce their impact, should they occur. The council is committed to maintaining a systematic and cost-effective approach to the identification and management of risk that is consistent with best practice and complies with statutory and audit requirements.

The Council's approach

6. Risk Management is the collective responsibility of all elected Members and officers of the Council. The Council's approach to Risk Management is articulated by the Risk Management Framework and Policy which was reviewed by Executive in July 2023.
7. The Council uses risk registers to manage the various risks it identifies. The overarching risk register is called the Strategic Risk Register (SRR). This register captures the most significant risks the organisation is exposed to that could impact on its ability to deliver its strategic priorities which are outlined in the strategic plan.
8. This SRR is underpinned by directorate level risk registers which are monitored by directors. Within project and programmes, risks are captured using standardised project documentation which includes risk registers. There are processes in place to ensure risks are considered either as they are managed during business-as-usual processes or throughout the life of a project and that they are escalated and de-escalated as appropriate.
9. In addition to bi-annually reporting the Council's overall approach on Strategic Risk Management to this Committee, a summary of the SRR is monitored monthly in performance deck and reviewed every three months by the Leadership and Management Team.
10. A summary of the current SRR is appended to this report at Appendix 1.

Risk Identification and Monitoring

11. Horizon scanning identifies significant emerging risks that the Council should be aware of and how they impact on the organisation. The information from this is considered by LMT and the outcome is reflected within risk registers as appropriate.

Strategic Risk Register

12. In the last six months one strategic risk has been removed from the register and a new risk has been added detailed below:

Removed Risk:

- 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. **Rationale for removal**, the social care reform order had been removed from legislation changes by the new government, much reducing the risk of changes to the until a national review is undertaken.

New Risk

- SR-15: Threats to Social Cohesion and Democratic Resilience. If Communities feel disconnected and that they do not live in a safe and resilient environment that promotes the best outcomes for citizens of the town, this could lead to local flashpoints which would be damaging to community relations, the reputation and image of a multi-cultural Middlesbrough. **Rationale for inclusion** this risk was escalated and reviewed from a Directorate Risk Register following the Southport attack.

13. The following actions were identified to manage this risk:

- SR-15a: Promote social cohesion through a dedicated local government effort, amplifying and reinforcing democratic freedoms and norms; and supporting evidence-based local cohesion initiatives.
- SR-15: Build resilience in local communities against extremist ideologies and narratives, including conspiracy theories and disinformation (PREVENT).
- SR-15c: Engage people utilising the neighbourhood model, tying in with partnership organisations, VCS, local community groups and elected members. We will work to find solutions with communities and not to them.
- SR-15d: Develop an early tension warning system that monitors and alerts the local authority and other key local partners about growing tensions.
- SR-15e: Marginalise and isolate extremist and other malign actors to prevent the mainstreaming of extremist ideologies and dangerous conspiracy theories which are causing severe harm and disruption in local areas (PREVENT).
- SR-15f: Respond quickly and effectively to flashpoint incidents and triggers.
- SR-15g: Repair relationships and engagement
 - between local communities where they have broken down following serious conflict and flashpoint incidents.

14. A brief summary of updates to the SRR can be seen below:

Strategic Risk Register	June – December 2024
New Risks	1
New Actions	19
New Assessments	4
Deactivated Risks	1

Directorate Risk Registers

15. The Strategic Risk Register has a supporting suite of Directorate Risk Registers. Escalations and de-escalations of risk are agreed by the Council’s Leadership team. In addition, directorate management teams review their risks, monthly. This and other measures ensure the Council has a grip on its risk management approach. Below is a summary position of actions taken during last 6 months to manage risks held at the directorate level:

Directorate Risk Register	Regeneration	Adults	Public Health	Children’s Services	Environment	Finance	Legal and Governance Services
New Risks	0	4	5	10	3	1	1
New Actions	3	8	11	29	11	4	19
New Assessments	11	3	2	2	6	2	2
Deactivated Risks	6	2	2	4	4	5	2

Horizon Scan

16. The Council regularly reviews the policy landscape and national reports to identify and review its risks. In particular the Risk Management Group of officers will review the annual reports published by Auditors on potential future risks as and when they are published.

Rationale for the recommended decision

17. To support the Committee to discharge its responsibility to maintain an overview of corporate governance within the Council, which includes risk management.

Impact(s) of recommended decision(s)

Financial (including procurement and Social Value)

Topic	Impact
Financial (including procurement and Social Value)	<p>There are no new direct financial considerations in relation to risk management as a result of this report. By having robust risk registers in place which are regularly reviewed at the correct levels ensures that the Council will be better placed to mitigate against the following:</p> <ul style="list-style-type: none"> • financial implications. • reputational damage. <p>Benefits arising from robust risk management are as follows:</p>

	<ul style="list-style-type: none"> • health and wellbeing of members, officers, and members of the public. • informs business decisions. • enables a more effective use of resources. • enhances strategic and business planning; and • strengthens contingency planning.
Legal	Risk Management is a part of the corporate governance framework. The proposed activity is consistent with and will promote the achievement of the Council's legal duty to achieve Best Value for Money.
Risk	Risk management positively impacts on all risks within the Council's risk registers. Providing this report to the Committee to assist it to fulfil its role, primarily positively impacts on the risk that the Council fails to achieve good governance.
Human Rights, Public Sector Equality Duty and Community Cohesion	There are no direct implications from this report on human rights, equality and diversity.
Climate Change / Environmental	There are no direct implications from this report on climate change or the environment.
Children and Young People Cared for by the Authority and Care Leavers	Good business continuity management and Disaster Recovery within Children's Services and Adult Social Care and Health Integration directorates will ensure that the correct level of support is given during a business continuity event to Children, Young People and Care Leavers.
Data Protection	Risk management arrangements are a critical control in order to ensure compliance with data protection legislation in particular the availability of personal data to avoid personal data breaches and wider compliance with the relevant regulations.

Actions to be taken to implement the decision(s)

Action	Responsible Officer	Deadline
File as action	Gary Welch	31/03/2025

Appendices

Appendix 1 – Strategic Risk Register

Background papers

N/A

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