MIDDLESBROUGH COUNCIL	Middlesbrough moving forward

Report of:	Chief Executive, Erik Scollay
Relevant Executive Member:	Mayor, Chris Cooke
Submitted to:	Executive
Date:	2 September 2026
Title:	Risk and Opportunity Management Policy
Report for:	Decision
Status:	Public
Council Plan priority:	Delivering Best Value
Key decision:	No
Why:	Decision does not reach the threshold to be a key decision
Subject to call in?	Yes
Why:	Non-Urgent Decision

Proposed decision(s)

That Executive:

- **APPROVES** the Risk and Opportunity Management Policy 2026–2029.

Executive summary

This requires an executive decision as per paragraph 10.20.1 (f) of the constitution whereby the Mayor has delegated authority to the Executive for risk management and regular reviews of the strategic risk register. This report therefore seeks approval of the updated Risk and Opportunity Management Policy 2026–2029, which establishes a proportionate, consistent and organisation-wide approach to the identification, assessment, management and monitoring of risks and opportunities across the Council. The policy sets out the Council's risk management principles, governance arrangements, risk appetite, escalation processes, roles and responsibilities, assurance framework, and monitoring and review requirements, ensuring alignment with the Enterprise Risk Management Framework.

The policy is required to ensure the Council maintains robust corporate governance arrangements, complies with statutory obligations, and aligns with best practice frameworks.

The recommended decision enables:

- Improved decision-making based on risk-informed principles
- Increased organisational resilience and accountability
- Alignment between risk management, performance management and strategic planning.

The revised policy also updates the Council's risk appetite by maintaining a low tolerance for risks affecting safety, compliance, equality and reputation, whilst recognising that proportionate risk-taking is necessary to support innovation, service improvement and delivery of strategic objectives. This reflects a more mature, risk-informed approach to decision-making, supported by clear governance, escalation and assurance arrangements.

Alternative options include continuing with the existing policy; however, this is not recommended as it does not reflect updated governance requirements, evolving strategic risks, or best practice standards.

All implications have been considered and are set out within the main body of the report.

1. Purpose of this report and its contribution to the achievement of the Council Plan ambitions

1.1 The purpose of this report is to seek Executive approval of the Risk and Opportunity Management Policy 2026–2029, which sets out the Council's approach to consistent, structured and organisation-wide approach to the identification, assessment, management and monitoring of risks and opportunities.

1.2 The policy is a key component of the Council's corporate governance framework and is fundamental to ensuring that decisions are informed, proportionate and aligned to the Council's strategic priorities. It embeds a risk-aware culture across all levels of the organisation, enabling both the effective mitigation of threats and the proactive identification and exploitation of opportunities.

1.3 In doing so, the policy directly supports the achievement of the Council Plan ambitions by:

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	This policy supports the delivery of a successful and ambitious town by ensuring that risks and opportunities linked to economic growth, regeneration and investment are systematically identified and managed. Effective risk and opportunity management: • Enables informed investment decisions in regeneration, infrastructure and economic development • Supports the attraction and growth of businesses by managing financial, commercial and delivery risks • Ensures that risks to skills development, education outcomes and workforce capacity are identified early and mitigated • Strengthens delivery of housing priorities by managing planning, supply chain and market risks The policy also encourages the identification of opportunities (positive risks), enabling the Council to proactively pursue innovation, external funding, and partnership working to drive economic growth.
A healthy Place	The policy contributes to creating a healthy place by embedding risk management into decisions that impact public health, wellbeing and environmental sustainability. Through this policy: • Risks relating to health inequalities and vulnerable communities are proactively assessed and managed • Environmental risks, including pollution, climate impact, and sustainability challenges, are identified and mitigated • Decision-making incorporates inclusive risk assessment, ensuring services are accessible and equitable

	• Opportunities to improve health outcomes (e.g. prevention initiatives, partnership working) are actively pursued By strengthening the management of both risks and opportunities, the Council can better protect and improve the wellbeing of residents.
Safe and resilient communities	The policy enhances community safety and resilience by ensuring that risks impacting people, services and infrastructure are effectively managed. In particular it: • Supports the identification and mitigation of risks relating to crime, anti-social behaviour, and community safety • Ensures robust risk management in both children's and adult social care, supporting independence and safeguarding vulnerable individuals • Strengthens resilience of critical services, transport and digital infrastructure • Enables effective emergency planning and response, aligned to statutory duties such as the Civil Contingencies Act The policy's emphasis on proactive risk identification and escalation ensures that emerging threats are addressed before they impact communities.
Delivering best value	This is the primary ambition supported by the policy, with direct alignment to corporate governance and financial sustainability. The policy: • Establishes a consistent, organisation-wide framework for managing risk and opportunity • Strengthens corporate governance, transparency and accountability • Supports better financial planning and resource allocation through risk-informed decision-making • Enables the Council to take proportionate, controlled risks to deliver innovation and value for money • Aligns risk management with performance management and strategic planning processes. • Enabling delivery of strategic priorities through the systematic identification and management of risks that could impact on outcomes, alongside the proactive pursuit of opportunities that enhance service delivery and community benefits • Supports the identification and management of emerging risks, external pressures and changing operating conditions through horizon scanning, regular risk review and timely escalation arrangements. • Embeds risk-informed decision-making into strategic planning, performance management and resource allocation, strengthening accountability and supporting the effective delivery of Council priorities.

	• Supports innovation and continuous improvement by enabling proportionate and well-governed risk-taking within the Council's agreed risk appetite. • Aligns risk management with corporate governance, assurance, performance management and strategic planning arrangements. It also ensures: • Risks outside appetite are escalated and managed effectively • Controls are proportionate, avoiding both over- and under-management of risks • Continuous improvement through monitoring, assurance and learning

1.4 Overall, the adoption of this policy provides the framework through which the Council can deliver its ambitions in a controlled, transparent and sustainable way, ensuring that risks are actively managed and opportunities are maximised to achieve the best possible outcomes for residents.

2. Recommendations

2.1 That the Executive

- **APPROVES** the Risk and Opportunity Management Policy 2026–2029.

3. Rationale for the recommended decision(s)

3.1 The proposed revised policy will ensure there continues to be a structured and consistent approach to managing risk and opportunity across the Council.

3.2 The policy will also support compliance with legal and regulatory requirements (e.g. Civil Contingencies Act, Local Government Act). It will enable risk-informed decision-making and resource allocation and support work to ensure there continues to be risk-aware culture that supports innovation and accountability.

4. Background and relevant information

4.1 The Risk and Opportunity Management Policy forms part of the Council's corporate governance framework and applies to all employees, members, contractors and partners.

4.2 Key features include:

- A mandatory, organisation-wide framework for risk and opportunity management
- Alignment with recognised standards (ISO 31000, Orange Book).
- Integration with performance management and decision-making processes.
- Defined risk appetite, including low tolerance for risks relating to:
  - Health and safety
  - Legal and regulatory compliance

- Security of assets and information

4.3 The policy ensures that the Council maintains:

- A structured risk management cycle (identify, assess, treat, monitor, review)
- Clear escalation thresholds and governance arrangements
- A three lines model to strengthen assurance and accountability
- Requirements for maintaining risk registers at strategic, directorate and programme levels.

4.4 The revised policy strengthens the Council's approach to risk appetite by moving towards a more risk-informed model that supports proportionate and well-governed risk-taking. Whilst retaining a low appetite for risks relating to safety, compliance, equality and reputation, the policy along with the Enterprise Risk Management Framework recognises that controlled financial, commercial and operational risks may need to be taken to support innovation, continuous improvement and improved outcomes for residents.

5. Ward Member Engagement if relevant and appropriate

5.1 Not applicable

6. Other potential alternative(s) and why these have not been recommended

6.1 Option 1: Do nothing / retain existing policy not recommended because:
- The existing policy does not reflect current best practice or updated frameworks
- It limits the Council’s ability to respond effectively to emerging risks
- It weakens governance and assurance arrangements

6.2 Option 2: Partial update Not recommended as:
- A full refresh is required to align with ISO 31000 principles and modern ERM approaches
- Partial updates would create inconsistency and ambiguity.

7. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including Social Value)	Improved risk management supports better financial planning and reduces exposure to unplanned costs. Enables proportional risk-taking to achieve value and service improvements. No direct financial implications beyond existing resources.
Procurement	There are no procurement implications in relation to this report.
Legal	Supports compliance with statutory requirements including: • Civil Contingencies Act 2004 • Local Government Act 1999
Risk	Establishes a robust, consistent risk management framework

	Improves identification, escalation and mitigation of risks Enhances organisational resilience and governance
Human Rights, Public Sector Equality Duty and Community Cohesion	Systematically embeds, measures and assures equality within risk management. Ensures decisions are evidence-based and proportionate
Reducing Poverty	Risk-informed decision-making enables better targeting of resources and interventions
Climate Change / Environmental	Supports identification and management of environmental and climate-related risks Enables proactive mitigation and opportunity realisation
Children and Young People Cared for by the Authority and Care Leavers	Strengthens safeguarding through improved risk visibility and control
Data Protection	Reinforces information risk management through SIRO governance and structured controls

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

Action	Responsible Officer	Deadline
Formal approval and publication of policy	Risk and Health & Safety Manager	September 2026
Roll-out of policy and communication across Council	Risk and Health & Safety Manager	October 2026
Update and alignment of risk registers	Risk and Business Continuity Officer	November 2026
Training and awareness programme	Risk and Health & Safety Manager	Ongoing
First assurance report to Audit Committee	Risk Management Function	March 2027

Appendices

1	Risk and Opportunity Management Policy 2026–2029

Background papers

Body	Report title	Date
Executive	Previous Risk and Opportunity Management Policy	July 2023
Audit Committee	Risk Assurance Reports	Various

Contact: Gary Welch – Risk and Health and Safety Manager
Email: gary_welch@middlesbrough.gov.uk