

Title of Report: Corporate Risk Management 2024/25 – Quarter 2 Update

Report of: Darren Collins, Strategic Director, Resources & Digital

Purpose of the Report

1. This report updates the Committee on Corporate Risk Management developments during the period 1 July 2024 to 31 September 2024.

Background

2. Quarterly reporting to those with the responsibility for the oversight of risk management issues complies with the principles of good corporate governance. It is also embodied in the Corporate Risk Management Policy.
3. The report covers progress against the Corporate Risk Management Developmental Objectives for 2024/25, as detailed in the Corporate Risk Management Annual Report 2023/24, and any other risk management issues emerging within the quarter under consideration.

Corporate Risk Management

4. At its meeting on 18 July 2024, the Council adopted an updated Corporate Risk Management Policy. This has since been made available to all employees via the Intranet and Service Risk Coordinators who attend the Corporate Risk and Resilience Group have been informed of the update so that they can assist with the communication of the updated policy within their respective groups, services and teams.

Strategic Risk Management

5. The Corporate Management Team is in the process of reviewing the approach to identifying and monitoring strategic risks to ensure they continue to align with the objectives in the Council's Corporate Plan and embed effective risk-based decision making at all levels.
6. This process will take some time to complete and embed, but in the short term some updates to the Strategic Risk Register have been agreed:
 - A 'risk' column has been added to show at a glance the broad impact of the risk
 - Whilst CMT are collectively responsible for the effective management of Strategic Risks, a specific Strategic Director has been noted as risk owner for each risk, rather than 'CMT', to improve accountability.
 - The Brexit risk will be archived on the basis that the uncertainty period has now passed, and financial impacts are captured as part of the overall financial planning process. Any supplies issues should be reflected in Service operational risk registers.

- Risk 10 has been expanded to take account of the Council's wider compliance responsibilities.
7. These changes will help to ensure strategic risks are responded to in accordance with the Risk Management Policy, with risks and controls being recorded for inclusion within the Strategic Risk Register.
 8. An emerging future risk has also been noted, in relation to Climate Change, to consider the risk of a failure to deliver the Council's commitments to making the Council's activities carbon neutral by 2030, achieving 100% clean energy across the Council's full range of functions by 2030, and delivering the associated pledges in the Council's Climate Change Strategy.
 9. The Strategic Risk Register is attached for information at Appendix 1.

Operational Risk Management

10. Operational risks identified within the Council are recorded on the operational risk register. Work continues to ensure operational risk management activity within Services continues to align with service objectives and that existing risk assessments are being monitored and reviewed within each of the Council's Strategic Groups.
11. A comprehensive review of Service Operational Risk registers, working with Service Directors to assess alignment with Service and Corporate objectives will form a key factor in the review of the Strategic Risk Register.

Business Continuity Management

12. In accordance with the Council's Business Continuity Policy all Services are required to continuously assess the risk of their activities being disrupted and to develop cost effective business continuity plans.
13. All Business Impact Assessments are reviewed bi-annually. This exercise uses the agreed corporate Business Continuity Framework to allow Services to assess which activities might require additional support to strengthen resilience.
14. Business Continuity Plans are revised accordingly to mitigate and, as far as possible, update key personnel and shape the response to any threats to the delivery of key activities with a focus on activity that could not be interrupted for more than 48 hours without critical impact.
15. Quarterly audit and risk reports are provided to Group Management Teams to highlight the critical activities for which services have developed continuity plans.

Corporate Risk and Resilience Group

16. The Corporate Risk and Resilience Group last met on 8 October 2024. The following items were considered:
 - Strategic and Operational Risk Registers
 - Emergency Planning, Resilience and Response

- Northumbria Local Resilience Forum
- Updates by exception from Groups and Services.

Recommendation

17. It is recommended that the Committee note the report and consider the effectiveness of the Council's risk management arrangements.

Appendix 1

SR Ref	Risk Description	Risk	Risk owner	Gross Risk Rating Pre-mitigation	Current risk post mitigation		
					Likelihood	Impact	Risk Rating
1	Failure to address the financial gap in the Council's budget and achieve the target within the Medium-Term Financial Strategy resulting in non-achievement of Council strategic priority of Making Gateshead a Place Where Everyone Thrives.	Financial Planning	Strategic Director, Resources & Digital	Red 16	Moderate 3	High 4	Amber 12
2	Failure to manage demand and expectations could result in the Council not achieving its Thrive agenda.	Council outcomes Reputational	Chief Executive	Red 16	Moderate 3	Medium 3	Amber 9
3	Failure to safeguard vulnerable children and adults	Safeguarding Reputational	Strategic Directors, Integrated Adults & Social Care Services and Children's Social Care and Lifelong Learning	Red 16	Unlikely 2	High 4	Amber 8
4	Failure to attract inward investment and deliver sustainable economic growth.	Council outcomes Reputational	Strategic Director, EIG	Amber 12	Moderate 3	Medium 3	Amber 9
5	Non-compliance with statutory requirements resulting in prosecution and subsequent penalties.	Reputational Financial	Strategic Director, Corporate Resources	Amber 12	Moderate 3	Medium 3	Amber 9
6	Failure to address workforce planning and resourcing requirements impacting on service delivery.	Recruitment and Retention Council Outcomes	Strategic Director, Corporate Resources	Red 16	Moderate 3	Low 2	Green 6
7	Failure to provide a response during a major incident or business interruption affecting availability of the Council's resources and	Significant Incidents Council outcomes Safeguarding	Chief Executive	Amber 8	Moderate 3	Low 2	Green 6

	impacting on ability to deliver critical services or an impact on a community.	Reputational					
9	The impact of a Cyber-attack compromises the confidentiality, integrity and availability of information and systems.	Information Governance and Cyber Security	Strategic Director, Resources & Digital	Red 16	Moderate 3	High 4	Amber 12
10	Failure to comply with building and housing legislation, including asbestos, legionella, building services and preparation for the new Social Housing Regulation Bill resulting in potential injury or ill health, prosecution and subsequent financial and reputational damage to the Council.	Property and Housing Regulation Compliance Reputational Safeguarding Financial	Strategic Director, HEHC	Red 20	Moderate 3	Medium 3	Amber 9

Strategic Risk Map

Impact	Extreme (7)				
	High (4)	• (SR3)	• (SR1) • (SR9)		
	Medium (3)		• (SR2) • (SR4) • (SR5) • (SR10)		
	Low (2)		• (SR6) • (SR7)		
		Unlikely (2)	Moderate (3)	Likely (4)	Almost Certain (5)
	Likelihood				

Archived Risk

Risk 8 - The implications of EU Exit potentially affecting the availability of Council's resources to deliver services which may impact on communities.

Emerging Risk

Climate Change Risk, to consider the risk of a failure to deliver the Council's commitments to making the Council's activities carbon neutral by 2030, achieving 100% clean energy across the Council's full range of functions by 2030, and delivering the associated pledges in the Council's Climate Change Strategy.