

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO THE
AUDIT & STANDARDS COMMITTEE**

05 February 2024

Report Title: Corporate Risk Management Report Quarter 3 2023/24

Submitted by: Corporate Leadership Team

Portfolios: Corporate and Service Improvement, People and Partnerships

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
To update Members on the current position in respect of risk management controls and identified corporate risks.			
<u>Recommendation</u>			
That the Audit & Standards Committee:			
<ol style="list-style-type: none"> 1. Note that there are currently no risks that are more than 6 months overdue for a review up to end of Q3 2023/24. 2. Note that there have been 2 risk level increases. 3. Note no changes to the Corporate Risk Register. 4. Note the Kidsgrove Town Deal Risk Register and current position. 5. Advise officers of any individual risk profiles that the Committee would like to scrutinise in more details at its next meeting. 6. Note that whilst the likelihood of a risk materialising may be mitigated, the likely impacts may not change. 			
<u>Reasons</u>			
To comply with Audit and Risk Management Strategy requirements to report to committee: risk reviews that are more than 6 months overdue; the Corporate Risk Register; and any risks that have been increased in rating to a medium D or high E, or are new risks.			

1. Background

- 1.1** The Council's Risk Management Strategy (RMS) sets out how it identifies, records, manages and reports on risk. It uses the GRACE software (Governance Risk and Control Environment) to monitor and manage all of its risks by creating individual risk profiles which rank risk based on likely occurrence and impact, after applying relevant mitigation measures. The system allows for the creation and monitoring of mitigation action plans and the assignment of risk owners.
- 1.2** The system allows risks to be managed in this way at service and directorate level and, where warranted, corporately through the Corporate Leadership Team and this committee. The RMS describes how risks are escalated and reported through that hierarchy depending on the nature of the risk, and in light of any delays in reviewing risk profiles or applying mitigation measures.
- 1.3** The Council currently reviews its high (red) risks at least monthly and its medium (amber) risks at least quarterly. The RMS and good audit practice requires that amber and red risks are reported to this committee where escalation is required, along with any risk profiles that are overdue for review by 6 months or more. This set of measures was last reported to this Committee on 13 November 2023.
- 1.4** GRACE automatically prompts Risk Owners to review their risk profiles at the required intervals, and will escalate overdue reviews. The review process involves the Council's Risk Champion challenging Risk Owners in respect of the controls, further actions, ratings and emerging risks related to their risk profiles. They are also challenged on the reasons for inclusion or non-inclusion of risks and amendments made to profiles. The Risk Champion has a direct reporting line to the Monitoring Officer and into the Corporate Leadership Team.
- 1.5** Project specific risks are managed to a high level in project specific risk registers, and are reviewed in accordance with the RMS at least monthly. Any specific projects can, where required, also have their risks monitored, maintained and managed in the Project Board meetings, but remain subject to the escalation requirements in the RMS.

2. Issues

- 2.1** There are currently no risk reviews 6 months overdue, up to the end of Q3 2023/24.
- 2.2** During the last quarter (Q3), 2 risks rose in priority to a Medium D or High E.
 - 2.2.1** The first risk is in respect of capacity in Sustainable Environment, where the incidents of staff being asked to assist other areas is increasing, however the staff capacity is decreasing.
 - 2.2.2** The second risk is in relation to Air Quality that sits in the Corporate risk register, and the issue of complying with the Government Directive

Timetable. Various partners involved in managing this risk – some of which are outside of the council's control.

- 2.3 The Corporate Risk Register has been reviewed, and there are no particular changes.
- 2.4 At the last meeting a request was made regarding the risks for the Kidsgrove Town Deal, and the delays being encountered.
 - 2.4.1 Further to the last review however, talks are ongoing with various parties involved in the Kidsgrove Station Project, due to changes by the Coal Authority requiring liability insurance to be obtained BEFORE they will allow a permit for ground investigations to take place.
 - 2.4.2 Their requirements changed after the funding and proposed plans were initially received, and this has affected things moving forward.
 - 2.4.3 Your officers in insurance were approached on 22 December 2023 with the information about the liability requirement. The Council and Jonathan Gullis MP were contacted separately by the DfT and Minister for Transport respectively, stating that it is likely that the Council should be taking on the liability requirements of the Coal Authority.
 - 2.4.4 Liability, as advised by the Council's broker, cannot at this time be in the name of the Council as we do not have an insurable interest. Talks have taken place and are further organised with East Midlands Railway and Network Rail (who own the land), and the DfT are attending a meeting next week to discuss.

3. Recommendation

- 3.1 That Members note that there are currently no risks more than 6 months overdue for a review up to end of Q3 2023/24.
- 3.2 That Members note that there have been 3 risk level increases to either a Medium D or a High E.
- 3.3 That Members note no particular changes in the Corporate Risk register, apart from the risk rating increase as identified at 2.2.3.
- 3.4 That Members note the specific risk profile for the Kidsgrove Town Deal as at end of Q3 2023/24 – Appendix A.
- 3.5 That Members advise officers of any individual risk profiles that the Committee would like to scrutinise in more details at its next meeting.
- 3.6 Note that whilst the likelihood of a risk materialising may be mitigated, the likely impacts may not change.

4. Reasons

- 4.1 To comply with Audit and Risk Management Strategy requirements to report to committee: risk reviews that are more than 6 months overdue; the Corporate Risk Register; and any risks that have been increased in rating to a medium D or high E, or are new risks.

5. Options Considered

- 5.1 N/A. Reporting is undertaken in accordance with the RMS.

6. Legal and Statutory Implications

- 6.1 It is considered that the RMS and the procedures it sets out, including the escalation of risks and reporting to this committee satisfies the requirements of the Accounts and Audit (England) Regulations 2015 which state that:

*“The relevant body **is** responsible for ensuring that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective, and includes effective arrangements for the management of risk”.*

7. Equality Impact Assessment

- 7.1 There are no differential equality impact issues in relation to this report.

8. Financial and Resource Implications

- 8.1 There are no resource implications in respect of the management and reporting of risk, outside of usual establishment provision for the costs of delivering that service. Finance and resource implications arising from particular risks are identified and managed as part of the risk profile in question.

9. Major Risks & Mitigation

- 9.1 Limited resource to ensure timely compliance with the processes in the RMS leaves the council unable to appropriately identify and manage a potentially significant wide range of risks.
- 9.2 That could lead to a wide range of organisational governance and service or project delivery failures. Impacts could be profound in financial and health and wellbeing terms for the organisation, its employees and partners and the people and organisations it delivers services to. It could mean the Council may be unable to comply with the legal requirements set out above in respect of the management of risk.

10. UN Sustainable Development Goals (UNSDG)

10.1 Good risk management is a key part of the overall delivery of the Council's four corporate priorities of; Local Services that Work for Local People, Growing our People and Places, a Healthy, Active and Safe Borough, a Town Centre for all. Officers assess sustainability and climate change implications as part of their local services.



11. Key Decision Information

11.1 N/A

12. Earlier Cabinet/Committee Resolutions

12.1 Previous Minutes from Committee meeting held on 13 November 2023.

13. List of Appendices

13.1 Appendix A – Kidsgrove Town Deal.

14. Background Papers

14.1 None.