

AGENDA ITEM

REPORT TO AUDIT & GOVERNANCE COMMITTEE 23 FEBRUARY 2026

REPORT OF DIRECTOR OF CORPORATE SERVICES

RISK MANAGEMENT UPDATE REPORT

SUMMARY

The purpose of this report is to inform members of the current status of the Council's strategic risks. The strategic risk register primarily focusses on the achievement of objectives over the longer-term and could take a number of years to materialise.

Assessment is based on the information currently available and is used to evaluate the potential future state of the risk and as such will be regularly reviewed as further information becomes available. The assessment of the risk should not be used as an indication of current performance as it is just one element considered as part of the wider assessment of risks, other examples include financial certainty or potential changes that may be outside of the council's control.

RECOMMENDATIONS

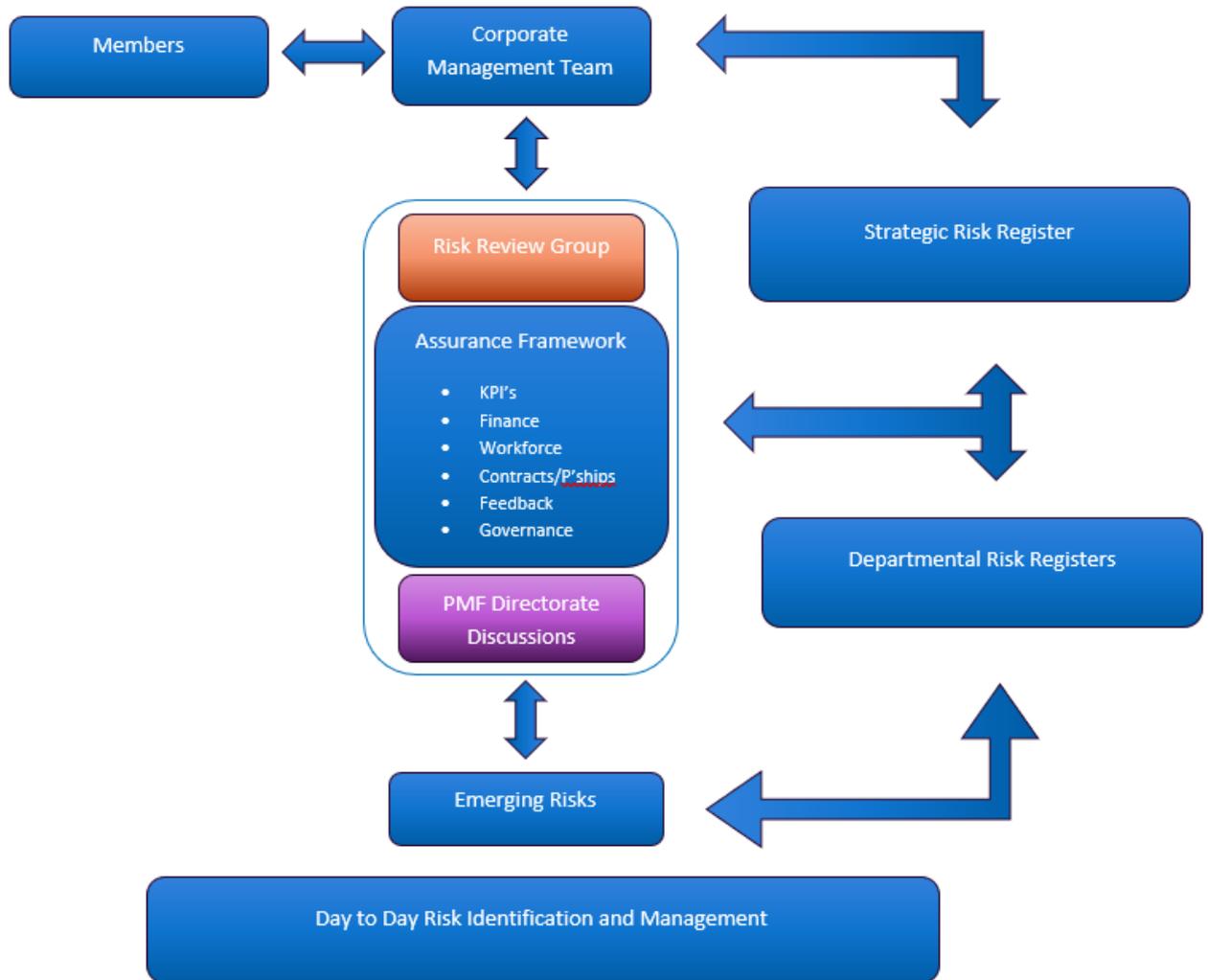
It is recommended that:-

1. Members note the current position with the strategic risk register and take assurance that risks are being effectively monitored and actions are being taken to manage these risks over the long-term.
2. Members note the changes in risk and the reasons for those changes.

DETAIL

1. Effective risk management is a core component of effective corporate governance. It is a planning tool that can be used to evaluate future events and make effective decisions to develop mitigating actions to reduce the impact and/or probability of those risks occurring.
2. The strategic risk register and the current status of those risks is shown below. Members are reminded that risk assessment is not a measure of actual performance. Risk management as a process is future focused and should be considered in the context of what may happen in the future. This enables actions to be taken now to mitigate those future risks.
3. As this is a strategic risk register it covers broad themes borough wide. The implication of this is that the council are not solely responsible for mitigating actions. There may be factors outside of the council's control that impact on the current risk level and as such the council alone may not be able to completely mitigate risks.

4. A key feature the revised approach is a simplification of the way in which the current risk status is assessed. Risks are rated using a RAG rating:
 - Red - Current concerns over the achievement of future objectives, actions must be developed to mitigate some of those concerns in the short-term, in order that we are able to meet future objectives.
 - Amber - Concerns identified that may impact on the future achievement of objectives, actions required but these can be planned over the medium term
 - Green - No current concerns
5. The focus of this report is to update members on changes in risk levels since November:
 - 703 – Risk of failure to deliver transformation projects, the programme to date has delivered savings, as we move into the next phase of delivery the level of uncertainty has increased as they are in the initial stages of design.
 - 563 Risk of not supporting children with disabilities and special educational needs to maximise their potential and understand future demands. The primary cause of the change is a number of processes and procedural issues identified during the Ombudsman’s investigation of a complaint and the high cost of placements. A full review of processes is being undertaken as part of actions agreed with the Ombudsman.
 - 714 Risk of failure to effectively deliver services within agreed budget and to maintain a balanced MTFP. Although some good progress has been made in reducing the MTFP gap as a result of positive outcomes from the Powering our Future programme, the future budget gap remains significant.
 - 710 Risk of failure to effectively manage and maintain Council owned land and assets. Significant work has been undertaken to understand our medium and long-term maintenance costs supported by a comprehensive condition survey which is forecast to exceed current provisions in the MTFP.
 - 559 – Risk of supporting children in our care to achieve appropriate outcomes in care. This risk has increased from Amber to Red, primarily due to the costs of placing children exceeding the budget provision in the MTFP.
6. Appendix A provides a full list of strategic risks and their current status.
7. As a reminder to members the framework for assessing the current risk score is outlined below:



8. A revised Risk Management Strategy will be presented to members at a future meeting.

FINANCIAL AND LEGAL IMPLICATIONS

None directly

RISK ASSESSMENT

This is a summary of the Council's risk environment.

COUNCIL PLAN IMPLICATIONS

None

CONSULTATION

N/A

Name of Contact Officer: Andrew Barber, Assurance Manager

Telephone No: 01642 526176

Email Address: andrew.barber@stockton.gov.uk

Full Strategic Risk Register

Risk ID	Risk	Overall Status
703	Risk of failure to deliver transformation projects	Red
714	Risk of failure to effectively deliver services within the agreed budget and to maintain a balanced MTFP	Red
710	Risk of failure to effectively manage and maintain Council owned land and property assets	Red
559	Risk of not supporting children in our care to achieve appropriate outcomes in care	Red
563	Risk of not supporting children with disabilities and special educational needs to maximise their potential and understand future demands	Red
743	Failure to deliver services to support business growth through developing appropriate skills within the borough	Amber
742	Failure to plan and deliver large scale capital projects - Regeneration Strand	Amber
560	Risk of delivering effective strategies that support care leavers to achieve appropriate outcomes	Amber
725	Risk of failure to deliver a waste service which reduces the amount of waste to Energy From Waste whilst increasing levels of recycling.	Amber
705	Risk of failure to effectively support our workforce to enable them to meet the challenges faced by the council and our residents	Amber
621	Risk of failure to enable a growing economy to maximise business growth	Amber
623	Risk of failure to enable effective highways and transport infrastructure	Amber
567	Risk of failure to improve outcomes that support people to live happy and healthy lives and reduce health inequalities	Amber
723	Risk of failure to maximise the use of Council owned vehicles and transport assets	Amber
715	Risk of failure to operate good corporate governance	Amber
731	Risk of failure to plan and deliver large scale capital projects	Amber
740	Risk of failure to plan and deliver large scale capital projects - CSEC Strand	Amber
724	Risk of failure to reduce carbon emissions and contribute to reducing the impact of global warming	Amber
745	Risk of failure to retain control of local decisions regarding the built environment due to external intervention	Amber
732	Risk of failure to support those who are experiencing poverty and work with communities to reduce the impact of poverty	Amber
599	Risk of failure to support vulnerable households to find suitable accommodation (including homelessness, care leavers, LD)	Amber
562	Risk of not supporting children maximise their potential in education	Amber
488	Risk of not supporting children who need help and protection	Amber
737	Risk of failure to communicate effectively with residents, communities and partners	Green
564	Risk of failure to establish and maintain safe systems of care for adults	Green
565	Risk of failure to manage and deliver good quality, sustainable care and support to vulnerable adults	Green
741	Risk of failure to plan and deliver large scale capital projects - Adult's & Children's Strand	Green
704	Risk of failure to provide robust and resilient ICT infrastructure and systems, making effective use of new/emerging technologies	Green
600	Risk of people not feeling safe in their communities	Green