Rushmoor Borough Council
Corporate Risk Management Policy and Procedures
V1.3 05/11/21

1. Introduction and Overview

This document describes Rushmoor Borough Council's policy and procedures for the assessment and management of risk.

What is Risk?

Risk can be defined as the combination of the probability of an adverse event occurring and its potential consequences. In this context it is used to define a matter/incident/issue that may prevent the Council from meeting its core objectives or resulting in the critical failure of all or part of the Council or its functions.

There is however the potential for risk to present the opportunity for benefit as well as threats to success. Therefore, the goal will not always be to entirely eliminate risk.

Why we need to manage risk?

Rushmoor employees manage risk every day without describing it as "risk management". We consider what might go wrong and take steps to reduce the likelihood or impact if it does. However, Rushmoor cannot rely entirely on informal processes. As a public body, the Council must provide assurance that it is recognising and managing risk effectively.

Who Manages Risk at Rushmoor?

Everyone at Rushmoor is responsible to some degree in the management of risk in their day to day activities, from front line staff to Heads of Service (HoS), Executive Directors and the Chief Executive.

Significant risks must however be formally identified, assessed and managed in order to mitigate their likelihood and/or their adverse impacts, such as on the continued operation of the Council, compliance with legal obligations or achieving strategic objectives.

2. Scope & Purpose

Senior employees with overall managerial responsibility for the majority of risks (predominately HoS) are referred to in this process as 'risk owners'. A single point of contact responsible for taking the lead in ensuring that the risk and any mitigation is managed appropriately.

Rushmoor Borough Council oversees the management of risk through the work of its Corporate Management Team (CMT). All significant risks will be periodically reviewed by this team. The determination as to whether a risk is deemed 'significant' is discussed throughout this document and assisted through the use of a common risk management procedure, for a consistent approach.

The Council will record and assess its work to manage risk through the use of risk registers. These will be split into individual Service Risk Registers (SRR) and a single central Corporate Risk Register (CRR). Corporate risks will also be further split down into 'standing corporate', 'elevated service' or 'strategic' risks. All of these processes and terms are described in full later in this document.

These risk registers are not intended to be used as a means of managing **all** risk to the Council, or the management of its day-to-day business activities, but to summarise significant risks for Senior Management to ensure they are effectively managed.

Given its nature, the risk management process will provide a regular periodic snapshot of the current level of risk to the Council in each case and any additional mitigation planned for those risks.

3. Leadership and Management

The risk management process is overseen by the Assistant Chief Executive (ACE). The day-to-day management and maintenance of the risk management system is the responsibility of the Corporate Risk Manager (CRM).

Risk owners, predominately HoS, will be ultimately responsible for the management of risks and the maintenance of associated processes such as Service Risk Registers. Service Managers may however be delegated the responsibility of managing risks and updating registers by their HoS.

Risk will be on the CMT agenda at least every 2 months to ensure that regular routine collective oversight is given to risk at a Senior level. This will also assist in the consistency of approach and determining the Council's tolerance for risk, including the natural determination of what the collective management consider to be a 'significant' risk.

The Corporate Risk Manager will provide advice and guidance on the Council's risk management process to all levels upon request.

4. Meetings and Minutes

HoS will be responsible for ensuring that their Service Risk Register is updated at least monthly, and that risk is a standing agenda item on their service meetings.

The ACE, with the assistance of the CRM, will ensure risk is on the CMT agenda at least every 2 months.

The CRM will ensure that the Corporate Risk Register is updated prior to this meeting, where necessary updating the status of risks by referring to SRRs. All risk owners must provide copies of their Corporate Risks upon request to enable the CRR to be created.

Minutes from this CMT meeting will be circulated and stored for future reference.

5. Methodology

5.1. Risk Identification

Risks will be identified by a number of methods, for example (but not limited to):

Business Planning Assessments – Corporate Level
A strategic analysis tool (such as a PESTLE analysis) can used to identify and analyse the current status and position of an organisation and the environment in which it operates. Tools such as this are used to provide a context for the organisation's role in relation to the external environment and the impact of external issues.

An appropriate analysis will be carried out by the Strategic and Corporate Policy Team annually, as part of the overall business planning process for the Council

Business Planning – Service Level
Heads of Service will identify any significant threats to their service during the business planning process, including ongoing matters and new and emerging threats.

Audit
Risk identification and analysis work takes place routinely within the Councils' Audit team. Any new/emerging or increased risks will be brought to the attention of the appropriate risk owner via the ACE.

Horizon Scanning
The Corporate Risk Manager will ensure that industry publications are reviewed, to identify any new and emerging risks that may affect the Council.

Such publications will include:

- Allianz Risk Barometer: Top Business Risks (annual)
- Hampshire County Council: Community Risk Register
- Cabinet Office: National Risk Register of Civil Emergencies
- World Economic Forum: The Global Risks Report (annual)

New and Emerging Risks
The identification of new/emerging risks will also occur during the day to day operation of Services, where new (and sometimes unexpected) risks can arise/become apparent during the course of their work. Once identified, these risks must be appropriately incorporated into Rushmoor's risk management processes.

5.2. Risk Assessment

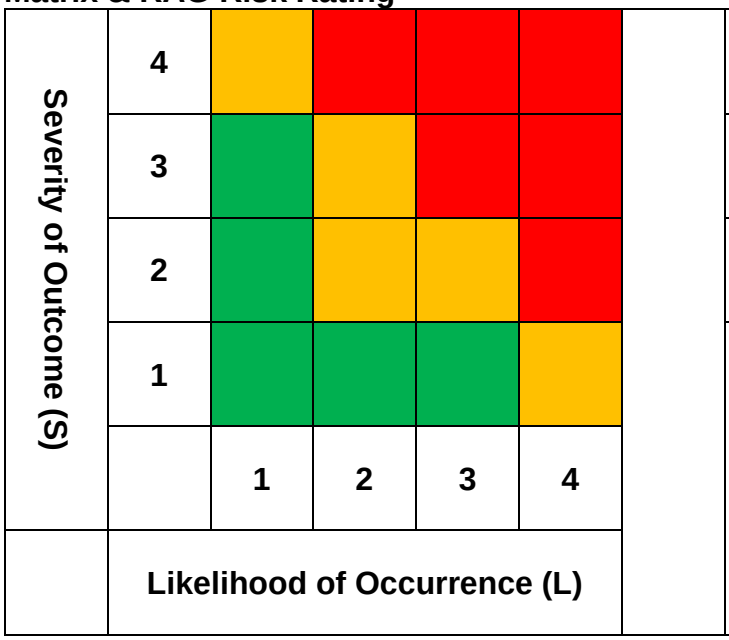
Each risk managed by this process will be assessed and given a risk category based upon the probability of the risk arising and the impact on the Council if does arise. The same method of rating/scoring will be used throughout. If a risk (a potential future adverse event) becomes an issue (where the adverse event occurs despite the mitigation put in place), the risk management process will continue to be used to manage that risk.

A traffic light indicator / RAG rating is used to show the risk category. A Corporate risk matrix, maintained and updated by the CRM, is provided to assess the probability and impact of risks.

Recognising that an assessment of risk can be made in a number of ways, the assessment of risk and the determination of the risk category will be carried out as a 'residual risk'. This is the risk assessment taking into account the existing mitigative actions in place at the time of the assessment. It will not include the predicted effects of mitigations not yet in place.

The risk matrix to be used for the assessment of all risks is as follows:

Matrix & RAG Risk Rating



High Risk		Strongly consider further mitigation, tolerating risk is unlikely to be acceptable
Med. Risk		Tolerable if risk/exposure is acceptable at senior level
Low Risk		Additional action may not be necessary to manage risk

Rating Consistency Guidance

	Likelihood of Occurrence (L)	Severity of Outcome (S)
1	**Very unlikely** Very unlikely to occur, (no history or near misses etc). Less than 5% probability.	**Minor** Risk to specific role. Legal action unlikely. No significant illness or injury. Negative customer complaint. Financial impact negligible.
2	**Unlikely** Unlikely but may occur (may have happened, but not within past 5 years). Is not expected to happen in next 5 years, less than 25% probability	**Moderate** Risk to normal continuation of service. Legal action possible but defendable. Short term absence/minor injury. Negative customer complaints widespread. Financial impact manageable within existing Service budget.
3	**Likely** Likely to occur (or already happened in the past 2 to 5 years). Is expected to happen in the next 2 to 5 years, 25 - 50% probability	**Significant** Partial loss of service. Legal action likely. Extensive injuries or sickness. Negative local publicity. Significant fine. Financial impact manageable within existing Corporate budget - but not Service.
4	**Very likely** Very likely to occur (or has already happened in the past year), may occur frequently. Is expected to happen in the next year, more than 50% probability	**Major** Total loss of service. Legal action likely & difficult to defend. Death or life threatening. Negative National publicity. Imprisonment. Financial impact not manageable within existing funds.

Risk Mitigation Methods
There are various options for dealing with risk, often referred to as the four Ts:

- **Tolerate** – if we cannot reduce a risk (or if doing so is out of proportion to the risk) we can tolerate the risk; ie do nothing further to reduce the risk.

- **Treat** – if we can reduce the risk by identifying mitigating actions and implementing them, we should do so. For many of the risks on the corporate risk register this is what we are likely to do.

- **Transfer** – risks can be transferred to other organisations, for example by use of insurance, shared services with other Authorities or by contracting out an area of work.

- **Terminate** – this applies to risks we cannot mitigate other than by not doing work in that specific area. If a particular project is very high risk and these risks cannot be mitigated we may decide to terminate it entirely.

It is important to note that the Council's appetite to risk may vary over time and by work area, in some circumstances risk may be sought out for gain e.g. enterprise risk, property portfolio expansion etc.

5.3. Risk Types & Records

Service Risks
In order to ensure that key risks are identified, assessed, managed appropriately and recorded consistently a risk register will be updated and maintained by every service. These are known as Service Risk Registers (SRR) and will record all Service risks.

All Service Risk Registers must be reviewed and updated at least monthly by the risk owner or their delegated Service Managers.

Service Risk Registers (SRR)
These will contain all significant risks to a service that are key to the organisation in terms of the potential severity of the outcome. It is not the intention to use the SRRs as a means of managing day to day work of a service.

It is the responsibility of each HoS to maintain its own SRR and review/update it whenever there is a significant change in circumstances, or at least monthly in their Service meetings.

The SRRs will include a method by which Heads of Service can identify risks to be included in the Corporate Risk Register as Standing Corporate or Escalated Service risks. These will be identified by virtue of the potential risks to the Council as a whole, or their Council-wide crosscutting nature. They are further described below.

An appropriate method of version control will be kept by services to ensure that the most up to date registers are in use but that older versions are retained and remain accessible.

Heads of Service will be expected to have regular update meetings with their respective Portfolio holders, using their risk registers to keep the Portfolio Holder aware of the current status of the risks within their service. This update must take place at least quarterly.

Although the overall nature of the document used by Services to record and present risk is not set Corporately, the register itself must use the risk register format template at the end of this document.

Corporate Risks

These are risks that have greater significance for the Council as a whole.

These can be further split down as either being 'Escalated Service risks' or 'Standing Corporate risks'.

Escalated Service risks are likely to be those that by virtue of the severity of the potential outcome and/or inadequate controls may be considered a single point of failure for the Council, rather than a threat to a single Service. It could also include those risks that are newly identified and have little or no mitigation or controls in place. These risks will tend to be operational and arise, be resolved and then be removed from the register.

There are a number of tests that can be applied in order to determine whether a Service risk should be escalated, but given their nature and to ensure consistency of approach it may be appropriate to discuss these risks with the Corporate Risk Manager before escalating them. The application of a high-risk rating is not a reason in its own right to escalate a risk. The Service should also consider whether oversight/discussion is required at CMT or if the risk can be wholly managed within the Service. If no Corporate oversight/discussion/intervention etc is required it is not expected that they will be escalated.

Standing Corporate risks may also be considered a single point of failure for the Council, and in most cases, although the Corporate response may be managed by a single Service, they will be cross cutting and long term in nature. Standing Corporate risks will tend to remain on the Corporate Risk Register for longer periods of time, if not indefinitely. Examples of these may be the Council's financial position or compliance with data protection legislation, both of which have a wide impact and involvement from across the Council, but are generally overseen or managed by one service.

Standing Corporate risks, impacting more than one Service, will normally be managed by one Service with the expertise required, but if not they will be assigned to one single risk owner as the lead. This is for practical purposes to avoid duplication and ensure that they are managed overall by a single point of contact. Although the day to day management of the risk itself may not fall entirely upon that risk owner, they will be responsible for collating and updating CMT and the risk register entry on behalf of the Council.

Strategic Risks

Strategic risks will be recorded and maintained by the Corporate Risk Manager in consultation with the most relevant member(s) of CMT. These risks will tend to be long term in nature and are likely to be outside the direct control of the Council, for example the local economy, employment or obesity levels. Therefore they will be unlikely to sit within a Service Risk Register.

As they are longer term in nature, the Strategic risks will be updated by the CRM every 2 months in order that they can be presented to CMT by the ACE.

Those risks identified as being officially sensitive in nature will be marked to ensure that they can be easily redacted from any publicly available copy of the register.

An appropriate method of version control will be kept to ensure that the most up to date register is in use but that older versions of the register remain accessible.

Corporate Risk Register (CRR)

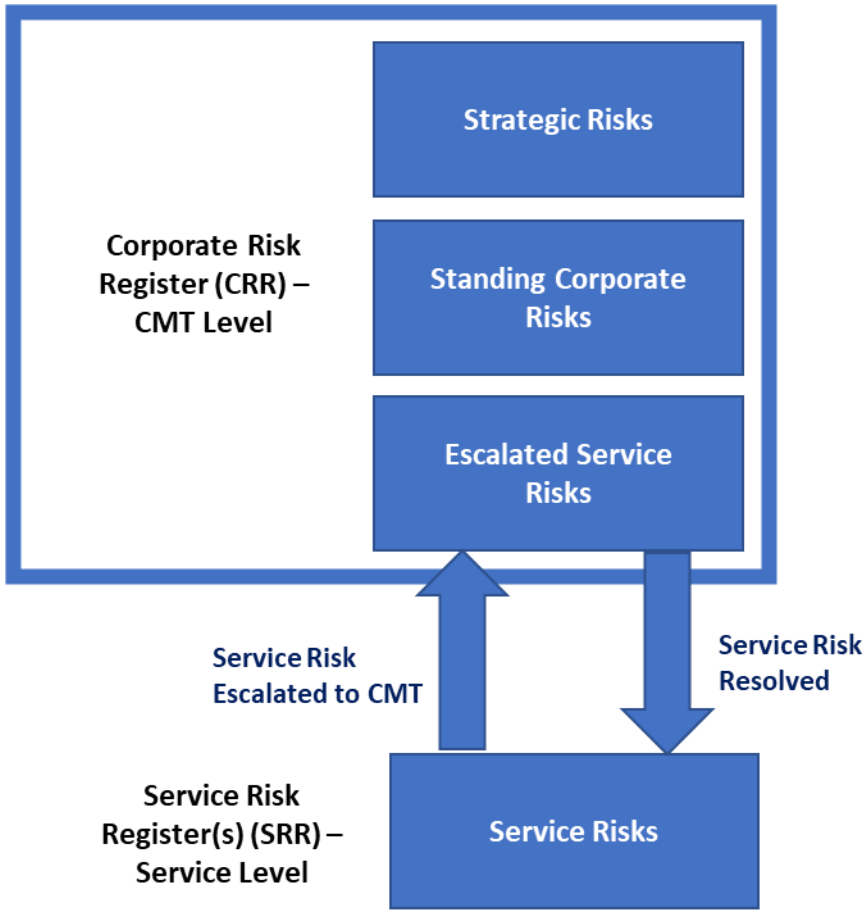
This register contains the key risks to the Council that are considered to be current issues of corporate significance. This will be made up of all of the Council's Strategic, Escalated Service and Standing Corporate risks identified.
With the assistance of HoS, the CRR will be updated by the CRM every 2 months in order that it can be presented to CMT by the ACE.

Those risks identified as being officially sensitive in nature will be marked to ensure that they can be easily redacted from any publicly available copy of the register.

All entries on the CRR will be discussed and reviewed by CMT at least every two months.

An appropriate method of version control will be kept to ensure that the most up to date register is in use but that older versions of the register remain accessible.

Diagram: Rushmoor Borough Council Risk Management Process



In order to ensure consistency and that risks can easily be transferred between registers, the risk register format template at the end of this document will be used for all register entries.

6. Governance and Targets

The ACE will report risk to CMT at least every two months using the CRR to ensure Heads of Service, Executive Directors and the Chief Executive remain aware of the key risks to the Council and the measures being put in place.

In order that there is final oversight of the CRR prior to being taken to Cabinet, reporting will be required more regularly on some occasions, see the table at the end of this policy for the full schedule. The risk owners may be required to present their risk entries to CMT for wider discussion.

The ACE will report the risk to elected members via two routes; to CGAS on an annual basis and to Cabinet via the Quarterly Performance Report.

The risk management process is cyclical, running on an annual cycle to complement the existing processes in place, particular those that also identify risk and effect resources – e.g. the business planning process. It is key that these processes work together to produce the greatest benefit for the Council.

The table below illustrates the approximate annual cycle of work and the key times for each part of the risk management process:

Approximate Risk Management Cycle

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Business Planning	New Business Plans and budgets in place for financial year.	.				Business Planning process for following year begins:			Key risks identified in Corporate Business Planning process provided to HoS.		Budget approval provided for following year Business Plans.	
Internal Audit		Audit Opinion presented to CLT + LA&GP. Risks to the organisation considered.	Audit work for the next quarter set. New and emerging risks considered.			Audit work for the next quarter set. New and emerging risks considered.			Audit work for the next quarter set. New and emerging risks considered.		Annual audit plan set.	Audit work for the next quarter set. New and emerging risks considered.
CMT	CRR presented to CMT by ACE			CRR presented to CMT by ACE	.		CRR presented to CMT by ACE			CRR presented to CMT by ACE		
Cabinet		CRR reported via Quarterly Performance Report			CRR reported via Quarterly Performance Report			CRR reported via Quarterly Performance Report			CRR reported via Quarterly Performance Report	
CGAS								CRR Report to CGAS				

Risk Register Format Template v1.0

Risk Title	Suitable for Public Register Y / N	Risk Type: Service (S) Escalated Service (ES) Standing Corp. (SC) Strategic (ST)	Risk Owner	Risk Description & Potential Outcomes (reasonable worst-case scenario)	Existing Controls / Mitigation	Additional Mitigation Planned – including Timelines/Deadlines	Risk Score		Risk Category / RAG Rating & Rating Change
							L	S	
Descriptive Title Ensure is not left too 'open' e.g. not just 'Health & Safety' – consider 'Compliance with New Covid Health & Safety Requirements'	N	S	RS	Examples: Financial loss (£s if known e.g. maximum fine). Risk to the public. Risk of non compliance with legal requirements/statutory functions. Risk to security. Risk to reputation. Risk to assets. Risk to organisational objectives. Etc.	Examples: Project group set up. Specialist consultant appointed. Attending meetings to influence outcome. Purchased insurance. Implemented new policy/procedures.	Example: Implement new inspection regime by December 2021.	2	4	↑ ↔ ↓