Cheltenham Borough Council Risk Management Policy and Guidance

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Revision history

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1.0	14/02/2009	New Policy
1.2	19/04/2011	revised policy
1.3	23/01/2012	Draft Revised policy
1.4	01/04/2012	Confidential risks and new score card
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Consultees

Internal

- Audit Committee
- Leadership Team & Heads of Service

Distribution

- Audit Committee
- CBC Staff
- Public Website
- Cabinet Member

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Introduction

Cheltenham Borough Council - Our Approach to Risk Management

The council believes that risks need to be managed, rather than avoided and that a rigorous approach to all aspects of risk management is an integral part of good management practice.

Through having a sound risk management process we will ensure the council:

- Continues to achieve its objectives and outcomes and sustainable improvement in services.
- Develops and maintains a safe and healthy environment for the public, residents, tenants, businesses and employees.
- Reduces the number and cost of insurance claims.
- Mitigates risk to make processes safer and more effective which in turn will reduce costs and make us more efficient.

Risk is defined in line with ISO 31000:2009 Risk Management Principles and Guidelines.

There are many definitions of risk and risk management. The contemporary definition set out in ISO 31000 is that risk is the "effect of uncertainty on objectives" where uncertainty can be either positive or negative.

Risk Management is defined as 'the culture processes and structures directed towards realising opportunities whilst managing adverse effects'. Its purpose is not to eliminate risk, but to understand it so as to take advantage of the upside and minimise the downside.

Everyone has a role to play in our risk management policy. Combining shared leadership with a team approach will help contribute to the success of integrated risk management.

Our Expectations / Commitments

- The Leadership Team will own and maintain the corporate risk register which will be reviewed on a monthly basis and updated as appropriate.
- The corporate risk register will be aligned to the Council's Corporate Plan and the priorities therein.
- Directors and Managers will ensure that there is an operational risk register for each operational area which will be reviewed on a quarterly basis and updated as appropriate.
- All project and programme managers will assess the strategic and operational risks associated with the programme or project, incorporate these on a risk register which will be reviewed on a monthly basis by the relevant Programme/Project Board and updated as appropriate.
- Any operational or project risk that has a score of 16 or greater will be referred to the Leadership Team for consideration and the potential inclusion on the Corporate Risk Register.
- Service Managers will document risks to meeting their team objectives and these will be included on the relevant operational register.
- All committee reports that require a decision should be accompanied by a risk assessment which should reflect risks on the operational or corporate risk registers.
- All risk registers will be in the corporate format as detailed in this policy and be created and managed via the Risk Channel on the Corporate Team.
- We will ensure that partnership working is part of our risk management approach; partnerships should identify the risks to achieving their objectives and the council will document the risks to working in partnerships.

Part One – Our approach to risk

1. Introduction

1.1 The aim of this policy is to set out Cheltenham Borough Council's approach to risk and the management of risk. It is presented in three parts; the first is our approach to risk management; the second outlines the process for risk management and the third part sets out roles and responsibilities.

1.2 Through having a sound risk management process we will ensure the council:

- Continues to achieve its objectives and outcomes and sustainable improvement in services.
- Develops and maintains a safe and healthy environment for the public, residents, tenants, businesses and employees.
- Reduces the number and cost of insurance claims.
- Mitigates risk to make processes safer and more effective which in turn will reduce costs and make us more efficient.

1.3 Risk is defined as:

"An uncertain event or set of events which, should it occur, will have an effect upon the achievement of objectives, within the lifetime of the objective."

1.4 Risk can be both negative and positive, but it tends to be the negative side that we focus on and score. This is because some things can be harmful, such as putting lives at risk or a cost to an individual or the organisation in financial terms.

1.5 Negative risk is represented by potential events that could harm what we are trying to achieve. In general, these risks are to be avoided and can be measured in terms of impact and likelihood. Positive risk, on the other hand, refers to risk that we initiate because we see a potential opportunity, along with a potential for failure.

1.6 There are two examples of positive risks. The risk could either be a positive experience, or the reason for taking the risk has rewards that are well worth it. For example the risk could make us enhance our performance or reputation, or by taking a different option we could improve/exceed corporate objectives, improve efficiency, reduce costs or improve income by a greater amount than was originally identified. See also section 8 about monitoring and managing risk.

1.7 Risk management is

"The activities required to identify and control exposure (negative risk) to uncertainty which may impact on the achievement of <u>objectives</u>". Or/and to use Positive risks to help us exceed our objectives.

1.8 From these two definitions, we can see that risk management is focused on the risk to meeting our objectives.

1.9 Given the definitions above, the council will assess, monitor and manage risks to the achievement of its objectives, including:

- Our corporate objectives – as set out in our corporate plan.
- Directorate objectives.
- Service team objectives.
- Project and programme objectives.

1.10 This policy sets out how we will identify, assess and manage risks, how we will report risk and how we will support risk management.

1.11 Everyone has a role to play in our risk management policy. Combining shared leadership with a team approach will help contribute to the success of integrated risk management. More information on roles and responsibilities is given in part 3.

2. Identifying, assessing and managing risks

2.1 The council will take a rounded view on what constitutes a risk. The starting point is that a risk could be anything, from an internal or external source, that poses a threat to the achievement of our objectives.

2.2 In terms of external sources, changing circumstances can have a significant impact on our ability to deliver our objectives. The environment we operate in is not stable and is in constant flux. Good risk management is about trying to anticipate these changes and put in place actions to respond to the resulting risks by minimising the likelihood and/or impact. Our view of the source of external risks could include the following:

- Local and national political change
- Local and national economic circumstance
- Social change
- Technological change
- Climate change
- Legislative change including health & safety requirements
- Housing Regulatory requirements
- Environment
- Complying with equality considerations
- Change in the organisational structure for local government
- Changing expectations/needs from customer/citizens/residents
- Change in how we are resourced
- Recommendations from assessments or reviews

2.3 In terms of internal source of risks, the ability of the council to continue to deliver its objectives is dependent on the following:

- Finance - sufficient finances in place to deliver services.
- Human resource - enough appropriately skilled, competent, experienced, motivated staff in the right place at the right time to deliver the service.
- Premises - the most appropriate environment from which to deliver the service.
- Technology – the most appropriate form of technology to support service delivery.
- Procurement – the most appropriate service/resource provider in place to deliver the service objectives (if service out-sourced).
- Legal/Contractual – the most appropriate form of contract to guide service delivery.
- Partners – commitment from appropriate other partners (both internal and external) to deliver the service.

- Changing priorities – a stable environment in terms of organisation priorities, clear objectives and manageable level of complexity.
- Information – an exchange of reliable information (internal and external) that is accurate and timely on which decisions can be fairly and correctly based.
- Safety and security of assets.

2.4   It is also worthwhile noting that because we have a number of commissioned services we must ensure that these arrangements are included within our risk management processes and these risks should be included in our registers as appropriate. When it is necessary to the achievement of an objective to procure products and services, the risk/s to the objective if the procurement process fails should also be identified and managed. When these ownership and management mechanisms have been defined risk owners need to ensure that effective monitoring and governance controls are in place to protect council assets.

When we commission the delivery of a service or enter into a shared service/inter authority agreement, providers are expected to have a range of risk management processes in place in accordance with any agreement with the Council. Each partner service is assigned a client officer who undertakes frequent and direct liaison with the service provider and monitors the contract performance and delivery. A member of the Leadership Team holds accountability for these services and provides the strategic guidance and support to the client officers. The Leadership Team and client officers keep relevant Cabinet members apprised of commissioned service performance as well as Cabinet Members being engaged directly in performance meetings with commissioned service providers. Should a service identify a significant risk that may have an impact on the Council they must advise the Client officer. The Client officer will then decide on the best course of action e.g. raise with Leadership team and include on either the Corporate or Operational risk registers.

2.5   In addition we would expect all programme and project managers to assess the strategic and operational risks associated with the programme or project objectives before the project is selected and approved. This assessment should ensure:

- An appropriate sign off process has been undertaken prior to commencement.
- The appropriate governance is in place to manage the project/programme.
- All roles including that of Project/Programme Manager, Senior Responsible Owner and other Project Team members are understood and fulfilled by individuals with the relevant technical skills.
- Everyone within the team understands the importance of raising/escalating risks as soon as they are identified.
- Risk are reviewed with the Programme/Project Board on a monthly basis.
- Key Project/Programme Risks should be added Corporate Risk Register as appropriate and reviewed by the Leadership Team on a monthly basis.

2.6   All committee reports that require a decision should contain a description of the options available and a risk assessment for each of them. These risks must relate to the objectives of the report topic.

2.7   Risk management should not be seen as a separate management function; it is a core part of good management.

2.8   The council acknowledges the importance of Health and Safety and the risks associated with safe working practices. We have a separate Health and Safety policy that provides advice

about how these types of risks should be identified and managed and this can be found on the intranet.

2.9 Fraud is a key risk to public service organisations with financial and reputational consequences. The Council has a responsibility to manage any risks associated with fraud, bribery and corruption effectively and ensure mitigating controls are in place. The council is supported in this area by the Counter Fraud and Enforcement Unit. The unit have produced a Fraud Risk Strategy which sets out how they work with the council to prevent and deter the risk of fraud and corruption. The Counter Fraud and Enforcement Unit will also develop risk registers for specific services e.g. revenues and benefits which are reviewed regularly with the service area manager.

2.10 The council is defined as 'Category 1 Responder' having a statutory duty to prepare for and respond to emergencies, support the emergency services and provide assistance to those affected. Therefore, as part of its emergency planning obligations there is also a risk register developed from the National Risk Register held by the DEPLO to assess and prepare for emergencies. Emergency planning risks are actively managed and monitored through the Local Resilience Forum.

2.11 Both Cabinet and the Senior Leadership team when reviewing the risks should consider the whole portfolio of risks in terms of dependencies and common factors that could create a much wider impact on the council should they simultaneously occur. This may result in some additional mitigations being put in place. Wider consideration of the risk portfolio should also be taken regarding the council's financial position as, a decision taken if one risk occurs and requires financial support may impact on the council ability to respond to another risk occurring.

Defining and scoring risk

2.12 Once risks have been identified they should be defined in a consistent way using the "cause and effect" approach (see Part 2, 5.3 for more information). Risks will be then scored for impact and likelihood using the risk scorecard. (The risk score is the multiplication of impact and likelihood.)

2.13 The initial score will be based on current circumstances and referred to as the 'raw' score. After controls have been actioned, the risk will be scored again. This score will be referred to as the 'current' score. Whilst we ask individuals to consider the raw score at the present time only the current score is shown on the corporate risk register.

Tolerance and controls

2.14 The scored risk can then be assessed against the council's tolerance levels. Currently we have three levels which set out the council's attitude to that particular risk. The three tolerance levels are coloured red, amber and green. Risks that are scored in the red and amber areas will require action.

The council then has eight options on how to control the risk (please see section 7.3 for detailed definitions);

- Reduce the risk
- Accept the risk
- Transfer the risk to a third party

- Avoid the risk
- Prepare a contingent plan
- Share the risk
- Enhance the risk
- Exploit the risk

2.15 The decision on how to control the risk will be made by the risk owner or an appropriate senior officer depending on where the score falls in the tolerance areas and the costs associated with the control.

Monitoring and managing risk

2.16 As risk management is an integral part of good management all identified risks should be recorded and managed through either the Operational Risk Register or the Corporate Risk Register. Corporate Risks are monitored monthly and Operational Risk Registers will be monitored quarterly at routine Operational Team meetings. Any operational risk that has a score of 16 or greater will be referred to Leadership Team for consideration for inclusion on the Corporate Risk Register

2.17 The Corporate Risk Register is available to all elected Members and employees through the intranet and is collectively monitored and managed by the Leadership Team

Recording risk

2.18 Risk registers should be used to inform decision making, resource allocation and to assist in performance management. They should be updated if the risk changes and as required to meet agreed monitoring arrangements.

2.19 Operational Risk Registers are the responsibility of Directors with the individual risks being assigned to officers within the division (or across departments where appropriate.)

2.20 Any member of staff can add a risk but any high scoring risks should be added and discussed with the relevant Director immediately to ensure relevant controls can be put in place.

3. Reporting risks

The corporate risk register

3.1 The Leadership Team will own and maintain the Corporate Risk Register and associated actions which will be considered on a monthly basis and updated by them as appropriate.

3.2 A copy of the updated corporate risk register will be provided informally to Cabinet Members following review by the Leadership Team so that they can discus the risks with the risk owners or managers.

3.3 A report on Corporate Risks will go to Audit Committee quarterly.

3.4 An annual report followed up by a six monthly risk monitoring report on Risks will go to Cabinet.

3.5 Overview and Scrutiny will have access to the Risk Register as required.

3.6 Any confidential risks will be recorded on the confidential risk register and reviewed at each

meeting of the Governance Group along with the Corporate Risk Register.

3.7 People identifying risks need to understand the difference between a 'risk' and an 'issue'. The key difference is that an "issue" has already occurred and a "risk" is a potential issue that may or may not happen and can impact the project positively or negatively. A risk can become an issue, but issue is not risk as it has already happened. See section 3.12 for further information on issues.

3.8 The corporate risk register will provide the necessary assurance for the annual governance statement.

3.9 Risk management reporting should be co-ordinated with continuous routine performance monitoring.

Operational, programme/project risk, other registers

3.10 Each directorate needs to take a proactive approach to risk management making sure that it is embedded as a part of the good management of the area, compiling and maintaining an operational risk register on Clearview that captures the risks to the delivery of its objectives and services. These risk registers should be reviewed quarterly by teams but formally reported on quarterly basis to the Chief Executive and a copy sent to the Head of Risk.

3.11 Project/programme should also have a risk register, as per 2.6, which capture risks to their respective objectives. These risks should be formally reported to the project/programme board on a monthly basis.

Corporate Issues Register

3.12 The purpose of an issue register is to capture and maintain information in a consistent structured manner on all identified issues that are happening now and require action. Although issue resolution is not part of the risk management process the issue register is the link between these two processes as issues may have arisen from risks that have occurred. The key point is that issues need management action to limit the adverse effect. The council will be introducing a Corporate Issues Register from 1st April 2025. This issue register will be reported to the Corporate Governance Group.

4. Supporting risk management

Risk management co-ordination

4.1 The risk management policy, including any guidance notes, will be reviewed every three years by the Audit Committee and the responsible Director and when necessary, updated to incorporate further development in risk management processes and/or organisational change.

4.2 Where the council has established groups who have responsibility for risk, they should include detail about their role in the terms of reference or constitution for the group.

Training

4.3   The requirement for risk management training which will ensure that elected members and officers have the skills required to identify, evaluate, control and monitor the risks associated with the services they provide, or govern should be identified through the appraisal process.

4.4   Risk Management training for staff and elected Members will be delivered through a number of tools including online training, induction, teams meetings and face to face.

4.5   Where required, training in corporate governance, of which risk management is a part, should be identified through the induction process for all new employees and members.

Communication

4.6   The risk management culture within the council must support open and frank discussion on risks to the Council. Risk Managers and Risk Control Owners must provide opportunities to employees and members not normally involved with risk management with the opportunity for comment and challenge.

4.7   Risk should be considered regularly by management team and service team meetings as part of good management practice. When necessary, new and emerging risks, significant change and where control actions are significantly succeeding or failing should be discussed.

4.8   It is the responsibility of the risk manager to communicate and discuss risk and control actions with other relevant officers, including those from other departments.

4.9   If the cause of a risk or the failure of an objective or activity has the potential to impact on another objective or activity, it is the duty of the responsible officer to communicate that cause or failure to the owner of the effected objective or action.

4.10   Information and guidance on risk management will be available to all employees with computer access via the intranet and shared drive. Employees without computer access should speak to their manager for a printed copy.

4.11   Employees will be kept up to date on risk management progress and good practice through management meetings, team briefings and the intranet.

Part 2 - Process & Guidance

5.   How to identify and define risks

5.1   Identifying risks is about asking:

- What could happen that would impact on the objective?
- When and where could it happen?
- How and why could it happen?
- How can we prevent or minimise the impact or likelihood of this happening?

5.2   What risks are identified and who you involve in the process will depend on whether you are looking at a specific team area or at a more strategic, organisational level. It is best practice to involve others in identifying risk as this gives you different perspectives on the same situation. Those involved must be clear about what objective is being risk assessed. Approaches to

identify risks can include:

- Brainstorming on possible risks in a facilitated session;
- Mapping out the processes and procedures; asking staff to identify risks at each stage;
- Drawing up a checklist of risks and asking for feedback.

5.3   Risks should then be defined using the '**if ….. then** ….' (or the cause and effect or likelihood and impact) approach. Clearview will automatically allocate each risk a reference number.

5.4   Risks should be specific and worded carefully and concisely and should not consist of a single word.

5.5   Risks should be outcome based and if one cause creates several impacts, each impact should be identified separately. This is because each might result in a different score and control.

6.   How to score risk

6.1   The council has produced a scorecard to help risk managers score the risk by assessing impact and likelihood (effect & cause).

Impact

6.2   To help assess the impact (effect), we have identified a scale of impact from 1 to 5;

- 1 - Negligible
- 2 - Minor
- 3 - Moderate
- 4 - Major
- 5 - Critical

6.3   Risk managers are encouraged to decide the scale of the impact by considering what type of impact the risk has on the objective, using the risk types Financial, Employee, Capacity, VFM, H&S and wellbeing, Business continuity, Contractual Governance, Reputation, Customer satisfaction, Governance, Performance forecasting and Corporate Strategy. . A full description of impact type and scoring is detailed in the 'impact scorecard' at the end of this document (or on Clearview) which should be used when assessing risk.

Likelihood

6.4   To help the risk manager assess the likelihood score (cause), we have identified 5 categories of likelihood that the risk will occur during the lifetime of the objective. These are:

Score	Likelihood	Probability	Probability explained
1	Rare	0-9%	Less than 10% chance of occurrence
2	Unlikely	10-34%	10% to 34% chance of occurrence
3	Possible	35-64%	35% to 64% chance of occurrence
4	Likely	65-89%	65% to 89% chance of occurrence
5	Almost Certain	90-100%	90% or greater chance of occurrence

Risk score

6.5   The risk score is a multiplication of impact and likelihood.

6.6   On occasion it is possible to have a risk that proposes more than one score of impact, e.g. a single cause that could have minimal cost implications, maximum cost implications or anywhere in between. In this instance, we advise that you score and manage the risk according to the most likely scenario. Using the areas of tolerance may also help.

7.   Selecting a risk control and understanding tolerance

7.1   The scored risk can then be assessed against the council's tolerance levels. Currently we have three levels which set out the council's attitude to that particular risk. The three tolerance levels are coloured red, amber and green. Risks that are scored in the red and amber areas will require action.

Score	Colour	Action/need to apply control	Responsibility
1-6	Green	Acceptable, subject to monitoring.	Risk manager
7-15	Amber	Needs active management	Risk manager
16-25	Red	Requires close attention	Risk manager / LT

7.2   The decision on how to control the risk will be made by the risk manager or an appropriate senior officer depending on where the score falls in the tolerance areas and the costs associated with the control.

7.3   The council has eight options on how to control the risk;

Control	Description
Accept	The Accept option means that CBC 'takes a chance' that the risk will occur, with its full impact if it did.
Avoid	Avoid a threat is about making the uncertain situation certain by removing the risk. This can be achieving by removing the cause of a threat.
Contingent plan	This option involves preparing contingent plans now, but not taking action now. Accept but make a plan for what we will do if situation changes.
Reduce	This option chooses definite action now to change the probability and/or impact of the risk. The term mitigate is relevant when discussing reduction.
Share	Share is different to transfer as it seeks for multiple partners to share the risk on a pain /gain basis.
Transfer	Transfer the risk is an option that aims to pass part of the responsibility to a third party. Insurance is the classic form of transfer.
Enhance	Making the opportunity more likely to occur.
Exploit	Exploit an opportunity to gain positive impacts from the risk.

8.   Monitoring and managing risk

8.1   As risk management is an integral part of good management our view is that risks should be reviewed by the Leadership Team and revised as and when actions prove to be successful or unsuccessful and when new information becomes available.

Progress of action	Further action
High	Current action successful – redirect resources
Medium	Current action not as effective as first hoped make changes or think of new action.
Low	Current action unsuccessful need new action.

8.2   The identification of risk may raise the question not to pursue a course of action. If this decision is made, it must be clearly documented.

8.3   The identification of risk may raise a success or positive learning point. This should be communicated to those who may benefit.

8.4   Actions to mitigate the risk need to be identified early and the monitoring must consider if they are being effective. If they are not then it is imperative to identify new mitigating actions.

9.   Risk registers

9.1   Most risks will be recorded on the corporate risk register.

9.2   A risk register will record:

- Risks identified - to an objective, including a reference code and specified using "if…& then…"
- Original risk assessment and score based on impact and likelihood
- Risk manager
- Date raised
- Controls & actions to control the risk
- The officer responsible for the controls and actions
- An indication as to whether the mitigating actions are on target
- The action status including progress notes
- Current risk assessment and score once the action has been implemented
- The date the risk was last reviewed

Confidential Risks

9.3   All corporate confidential risks will handled as per 3.6.

9.4   Advice on the wording and inclusion of any confidential risks within the Corporate Risk Register can be sought from the Monitoring Officer.

Part 3 - Roles and Responsibilities

Everyone has a role to play in our risk management policy. Combining shared leadership with a team approach will help contribute to the success of integrated risk management.

10.   Elected members

10.1   All elected members have risk management responsibility; they should promote the desired culture essential for successful risk management, acknowledging risk management as a strategic and operational tool to further the council's objectives. All should feel secure that,

by identifying risk in their area, they are doing so within a corporate framework that is robust and easily understood.

10.2   The risk assessment included in all reports, that require a decision, that are brought to council, cabinet and committees should be used to inform decision making and should be revisited to ensure the risks are being managed.

10.3   They will also participate in training workshops to maintain an up-to-date understanding of how CBC manages risk.

Audit Committee

10.4   Audit Committee will endorse the council's corporate risk management policy, and at least annually, monitor and review the effectiveness of risk management systems and its contribution to corporate governance arrangements.

10.5   Audit Committee will also seek assurance from the internal audit team that risks are being managed in an appropriate manner and by the terms of this policy.

Overview and Scrutiny Committee

10.6   The Overview and Scrutiny Committee may request to review the risk register at any time and scrutiny task groups may want to examine any risks relating to a particular project. Any recommendations from scrutiny would be made to Cabinet or Council as appropriate.

Housing Cabinet Committee

10.7   The Housing Cabinet Committee will ensure the council's corporate risk management policy is effective in managing all of the councils housing risks.

10.8   The Committee will review risks at each meeting and will seek assurance from the internal audit team that risks are being managed in an appropriate manner and by the terms of this policy and the regulatory environment.

Cabinet and Council

10.9   Cabinet and Council, as decision-making bodies, will be made aware of risks associated with any decision taken to them. They will have the responsibility to ensure that any risks to a report or project they sign off are managed and should request a revision of previously identified risks as and when necessary.

10.10 The Corporate Risk Register is provided informally to Cabinet Members so that they can monitor them and the progress of mitigating action.

10.11 The Leader has risk management identified as part of their portfolio. They have responsibility to ensure that their cabinet colleagues consider risk when setting policy and making decisions. These risks should be revisited to identify how they are being managed.

10.12 Individual cabinet members should seek assurance that the risk management process is being met in reference to their respective portfolios through discussions with Directors.

10.13 Cabinet Members can suggest new risks and discuss the management of any risk with the appropriate Director or Risk manager

11.   Officer responsibilities

11.1   The Chief Executive and Leadership Team have strategic responsibility for the risk management policy and collectively oversee the council's effective management of risk. In their role as 'coach', they will advise and support Directors, Senior Managers, Programme and Project Managers to ensure that risk is managed consistently and in line with this policy.

11.2   The Leadership Team are responsible for setting tolerance levels. The risk manager is empowered by Leadership Team to make decisions about the control of the risk, depending onthe risk score and what tolerance area it falls within.

11.3   They will consider corporate risk as part of developing and implementing the council business plan and corporate strategies, projects and programmes.

11.4   The Leadership Team are collectively responsible for the management of risks recorded on the Corporate Risk Register.

11.5   Directors are responsible for managing risks to the delivery of the objectives of their own division, jointly with their service managers. These risks will be managed in accordance with this policy, using the risk register template attached.

11.6   The Chief Executive is responsible for minimising the overall cost of insurance claims which do arise and supporting the risk management programme by supplying any advice and data to the Board.

11.7   The Chief Executive is responsible for monitoring the implementation and effectiveness of this risk management policy and for reviewing compliance with controls introduced by all other directors to collectively manage risks through the Corporate Leadership Team. Any responsibilities delegated to internal audit will be covered in the annual internal audit programme.

11.8   The Audit Partnership Manager is responsible for ensuring that where corporate risks are identified in the Annual Audit Plan they are cross referenced to the Corporate Risk Register.

11.9   The Client officer for Shared or Commissioned Service(s) will be responsible for ensuring that any external organisation that provides a service(s) for the Council will have a documented Risks Management Process that is appropriate for the size and complexity of that organisation.

11.10   The Client Officer will ensure that any external organisations risk management process covered in 11.9 will include the process for that organisation to inform the Council of any risk that either impacts or could impact on the Council.

11.11   The Client Officer will make the appropriate Leadership Team Lead Commissioner aware of any risk that could score 16 or above on the CBC score card or in their mind would have a significant risks to CBCs finances or reputation.'

The Governance Group

11.12   The Governance Group is consulted on proposed amendments to the Risk Management Policy and the Corporate Risk Register.

11.13   The Leadership Team can request that the Governance Group review and challenge any risk or

group of risks to ensure that they are being recorded, scored and monitored correctly. This additional review process which can be found on the intranet relates to confidential risks and is designed to provide additional assurance to Leadership Team and the risk managers that they are being managed correctly.

11.14 Counter Fraud Unit - The Counter Fraud Unit is responsible for the prevention, detection and deterrence of fraud, bribery and corruption across the Council.

12.   Programme and Project Managers

12.1 Ensure there is a process for identifying, managing and communicating risks to programme and project objectives and benefits

12.2 Ensure that programme and project teams carry out regular risk assessment

12.3 Ensure that any risk scoring 16 or above (CBC score card) is escalated to Leadership Team and considered for inclusion on the Corporate Risk Register. Managers have the discretion to bring to the attention of their Director or Risk manager any risk scoring below 16 if they consider that there is a need for ELT to be made aware of it.

13.   Service managers

13.1 Service managers are responsible for identifying and managing risks to the objectives of their service team in line with this policy. The council encourages managers to identify, understand and manage risk, and learn how to accept risk within the applicable tolerance level.

13.2 They should ensure that their teams carry out risk assessment, where appropriate, as a routine part of service planning and project management, including reporting to members.

13.3 Ensure that any risk scoring 16 or above (CBC score card) is escalated to Leadership Team and considered for inclusion on the Corporate Risk Register. Managers have the discretion to bring to the attention of their Director or Risk manager any risk scoring below 16 if they consider that there is a need for Leadership Team to be made aware of it.

14.   All council employees

14.1 The identification of risk relies on input from teams and individuals.

14.2 A 'Risk manager' is the owner of a risk and will manage that risk accordingly. This will involve maintaining awareness of how control actions are progressing.

14.3 All actions identified to control a risk will be assigned to an individual officer who will be called the 'Risk Control Owner'.

Appendix 1 Risk Scorecard

Risk and Service Managers must use the following score card as a guide to assess the impact and likelihood of any identified risk.

Effect	Risk Category	Impacts Please note when drafting a risk description always describe the cause and effect i.e If… then …
Negligible	Financial	Risk (<£50K Capital) or (Revenue <£25K p.a.) Define the value and period, in relation to revenue.
	Employee	Low morale is contained within team and managed.
	Capacity	Short term capacity issue not affecting service delivery.
	VFM	Negligible impact on value for money. (Revenue <£25K p.a.)
	H&S wellbeing	Risk to personal health & safety and general wellbeing.
	Business continuity	Brief interruption of service provision.
	Contractual Governance	Minor breakdown of shared services or contracts.
	Reputation	Negligible media coverage/minor complaints.
	Customer satisfaction	Minimal impact on delivery customer needs.
	Governance	Poor governance/Internal/ control but zero impact on outcomes.
	Performance	Targets are missed with no impact on objectives/outcomes.
	Risks specific to delivery of Corporate Strategy	
	Environmental outcome	Negligible impact on our environmental outcome - Cheltenham's environmental quality and heritage is protected, maintained and enhanced
	Economic outcome	Negligible impact on our economic outcome - Sustain and grow Cheltenham's economic and cultural vitality
	Community outcome	Negligible impact on our community economy - People live in strong, safe and healthy communities
	Business transformation outcome	Negligible impact on our business transformation outcome - Transform our council so it can continue to enable delivery our outcomes for Cheltenham and its residents
	Risk Category	**Impacts**
Minor	Finance	Risk (£50K to £200K Capital) or (Revenue £25K to £50K p.a.) Define the value and period, in relation to revenue.
	Employee	Some hostility from staff and minor non-cooperation.
	Capacity	Short term capacity issue affecting service provision (define term with risk description).
	VFM	Low impact on value for money. (Revenue £25K to £50K p.a.)
	H&S and wellbeing	Risk to personal health & safety may result in broken bones and short term illnesses.
	Business Continuity	Slightly reduced service provision with marginal disruption.
	Contractual Governance	Some breakdown or shared services or contracts with disruption.
	Reputation	Adverse local media/negative local opinion/formal complaints.
	Customer satisfaction	Some customer needs or expectations may not be met either in time or quality.
	Governance	Governance/Internal/ control has been missed/misunderstood/not up to date resulting in poor decision making.
	Performance	Targets are missed with low impact on objectives/outcomes.
	Risks specific to delivery of Corporate Strategy	
	Environmental outcome	Low impact on our environmental outcome - Cheltenham's environmental quality and heritage is protected, maintained and enhanced
	Economic outcome	Low impact on our economic outcome - Sustain and grow Cheltenham's economic and cultural vitality

	Community outcome	Low impact on our community economy - People live in strong, safe and healthy communities
	Business transformation outcome	Low impact on our business transformation outcome - Transform our council so it can continue to enable delivery our outcomes for Cheltenham and its residents
	Risk Category	**Impacts**
Moderate	Finance	Risk (£200K to £1M Capital) or (Revenue £50K to £200K p.a.) Define the value and period, in relation to revenue.
	Employee	Industrial action in the short term/staff leaving.
	Capacity	Medium term capacity issues affecting service (define term within risk description).
	VFM	Moderate impact on value for money. (Revenue £50K to £200K p.a.)
	H&S and wellbeing	Risk to personal health & safety includes sustained or major illness of 1 or more people.
	Business Continuity	Services suspended in short term with noticeable disruption.
	Contractual Governance	Collapse of at least one aspect of shared service or contract with moderate disruption or temporary suspended service.
	Reputation	Adverse local & media/members questioned.
	Customer satisfaction	Key customer needs or expectations may not be met either in time or quality.
	Governance	Governance/Internal/ control arrangements failed leading to non-compliance with legislation and policy.
	Performance	Targets are missed with impact on objectives/outcomes.
	Risks specific to delivery of Corporate Strategy	
	Environmental outcome	Moderate impact on our environmental outcome - Cheltenham's environmental quality and heritage is protected, maintained and enhanced
	Economic outcome	Moderate impact on our economic outcome - Sustain and grow Cheltenham's economic and cultural vitality
	Community outcome	Moderate impact on our community economy - People live in strong, safe and healthy communities
	Business transformation outcome	Moderate impact on our business transformation outcome - Transform our council so it can continue to enable delivery our outcomes for Cheltenham and its residents
	Risk Category	**Impacts**
Major	Finance	Risk (>£1M to £2M Capital) or (Revenue £200K to £500K p.a.) Define the value and period, in relation to revenue.
	Employee	Prolonged industrial action/significant number of staff leaving.
	Capacity	Long term capacity issue affecting service delivery/reputation.
	VFM	Major failure to provide value for money with major risk and external investigation. (Revenue £200K to £500K p.a.)
	H&S and wellbeing	Risk to personal health & safety include loss of life/large scale illness.
	Business Continuity	Service delivery suspended/Priority 1 and Priority 2 ICT systems suspended for long term with major disruption.
	Contractual Governance	Shared service or contract delivery fails with major disruption.
	Reputation	Major media coverage. High level of concern from elected members/officers/public with senior staff position threatened.
	Customer satisfaction	Customer needs or expectations are not met with significant failing in service delivery.
	Governance	Governance arrangements have failed with major reputation/legal implication and cost to recover.
	Performance	Targets missed continuously major impact on objectives/outcomes.
	Risks specific to delivery of Corporate Strategy	
	Environmental outcome	Major impact on our environmental outcome - Cheltenham's environmental quality and heritage is protected, maintained and enhanced
	Economic outcome	Major impact on our economic outcome - Sustain and grow Cheltenham's economic and cultural vitality

	Community outcome	Major impact on our community economy - People live in strong, safe and healthy communities
	Business transformation outcome	Major impact on our business transformation outcome - Transform our council so it can continue to enable delivery our outcomes for Cheltenham and its residents
	Risk Category	**Impacts**
Critical	Finance	Risk (>£2M Capital) or (>Revenue £500K p.a.) The value and period, in relation to revenue
	Employee	Prolonged industrial action/permanent loss of jobs resulting in inability to deliver services.
	Capacity	Long term capacity putting at risk personnel, assets, reputation and service delivery.
	VFM	Critical failure to provide value for money with risk of external investigation and intervention. (>Revenue £500K p.a.)
	H&S and wellbeing	Risk to personal health & safety includes possibility of multiple fatalities or serious injuries and illness.
	Business Continuity	Total loss of services, ICT systems and other key assets.
	Contractual Governance	Shared service and contract delivery fails, resulting in total loss of service or the decommissioning of delivery model.
	Reputation	Significant local/national media coverage with failure to meet regulatory standard resulting in loss/fine.
	Customer satisfaction	Customer needs or expectations are not met because of complete failure in service delivery.
	Governance	Governance/Internal/ control arrangements failed with reputation/legal/cost implication.
	Performance	If there was a critical failure to deliver on delivery of objectives/outcomes or external investigation and intervention
	Risks specific to delivery of Corporate Strategy	
	Environmental outcome	A Critical impact on our ability to deliver our environmental outcome - Cheltenham's environmental quality and heritage is protected, maintained and enhanced
	Economic outcome	A Critical impact on our ability to deliver our economic outcome - Sustain and grow Cheltenham's economic and cultural vitality
	Community outcome	A Critical impact on our ability to deliver our community economy - People live in strong, safe and healthy communities
	Business transformation outcome	A Critical impact on our ability to deliver our business transformation outcome - Transform our council so it can continue to enable delivery our outcomes for Cheltenham and its residents

Likelihood scorecard

Score	Likelihood	Probability	
1	Rare	0-9%	Less than 10% chance of occurrence
2	Unlikely	10-34%	10% to 34% chance of occurrence
3	Possible	35-64%	35% to 64% chance of occurrence
4	Likely	65-89%	65% to 89% chance of occurrence
5	Almost Certain	90-100%	90% or greater chance of occurrence

The total risk score is the multiplication of impact and likelihood when the risk score has been defined consideration must be given as to the best way to manage it, the following table should be used as a guide.

Code	Risk score	Risk Management view
Red	16 – 25	Must be managed by ELT to reduce risk scores
Amber	7 – 15	Seek to improve the risk score in the short/medium term
Green	1 – 6	Tolerate and monitor within the department