CAMBRIDGE CITY COUNCIL

RISK MANAGEMENT

Contents

Version Control

Version	Date	Updated by	Summary of change
1.0	22/09/2021	Stephanie Fisher	Approved by Civic Affairs Committee

Strategy

Introduction

Effective risk management is critical to ensure an organisation maintains its services, progresses towards achieving its strategic aims, and provides assurance it is operating on sound corporate governance principles.

Definition

Risk Management is a key element of the Council's Governance Framework. The objective of the risk management process is to identify, evaluate and control risks and opportunities.

Risks are the possibility that an unwanted or uncertain action or event will cause injury, loss, damage or adversely affect the ability to achieve our objectives.

Opportunities also need to be considered, providing the benefits and rewards outweigh the potential risks.

Aims and Objectives

Our strategic aim is to:

- integrate pragmatic risk management into the Council's culture;
- raise awareness of the need for risk management by all those responsible for managing risk;
- maintain an ability to anticipate and respond to changing social, environmental and legislative changes.

Risk Appetite

Risk Appetite is the level of risk within which an organisation aims to operate.

Risk Tolerance is the level of risk within which an organisation is willing to operate if the risk appetite is not achieved and the cessation of such activity is not an option.

Risk Capacity is the level of risk which the Council is able to take to achieve its objectives and considers factors such as legislative and financial constraints.

The Risk Universe (All Risks)			
Risk Appetite	Risk Tolerance	Risk Capacity	Beyond Capacity
Level of risk we aim to operate within	Level of risk we are willing to operate within	Maximum Level of risk we can operate with	Beyond acceptable risk

In determining our risk appetite, Senior Management will continuously review the nature and extent of the key risks that the Council is exposed to and is willing to take

to achieve its objectives. Strategic planning and decision-making will reflect this risk appetite when identifying the systemic challenges to our [Council Vision](#).

By understanding our risk appetite, resources can be prioritised and allocated to where it is most needed to manage the risks to achieving our objectives whilst maintaining and demonstrating value for money.

Our risk appetite is illustrated on our Risk Scoring Matrix. We have a positive approach to risk and, whilst we aim to bring all risks within our appetite, we have a broader risk tolerance that we can operate within if activities deliver tangible benefits and rewards and support the Council's objectives. We encourage our staff to take an entrepreneurial mindset. We also aim to have an agile culture that frees up our staff to work in the most effective way needed to respond to new opportunities and changing needs, and to focus on the outcomes that deliver the most value. The Risk Management Framework is designed to enable officers to identify these opportunities and, where possible, also minimise threats. Good risk management, informed decision making and understanding of the associated risks, will help maintain the Council's desired balance of caution and innovation.

Our Processes

The Risk Management process involves identifying potential risks and opportunities; what might cause them to occur; and what the consequences would be if they happen. The process will identify controls that are currently in place to mitigate the risks and establish what actions can be taken to further reduce the likelihood of the risk arising and the impact should it occur. Risk Management is a continual process and as part of this we need to consider learning from previous experiences.

The greater the understanding of the risks that the Authority is exposed to and the causes and consequences of these risks, the more informed future decision making should be.

Our processes, roles and responsibilities, performance and training information are detailed within our Policy Framework.

Governance

Governance is the system by which the Council ensures that it achieves the right outcomes for the citizens of Cambridge in an open and honest way.

The system of internal control is a key part of the Governance Framework and is designed to manage risk to a reasonable level. Internal Audit regularly reviews the system of internal control, providing independent assurance on the adequacy and effectiveness of the controls in place to manage risks. Actions are also agreed with management to improve controls where needed.

Both the Strategy and the Framework will be reviewed regularly to ensure that we maintain best practice and an effective risk management system.

Policy Framework

Introduction

Effective risk management is critical to ensure an organisation maintains its services, progresses towards achieving its strategic aims, and provides assurance it is operating on sound corporate governance principles.

The Account and Audit (Amended) Regulations 2015 establishes that is a system for managing risk is a key part of our internal control framework.

A public service organisation must identify, analyse and prioritise risks, as well as manage and control risks in a cost-effective manner to maximise the quality and efficiency of its service provision and protect its reputation.

Risk management is about being risk aware and finding ways to do something that best minimises threats and maximises opportunities. The key is to identify what those risks might be and how to accommodate them in our activities. Our Risk Management Policy outlines how this will be done.

Policy Aims

The aims of this policy are to:

- embed a pragmatic risk management culture, reducing bureaucracy and improving efficiency and effectiveness;
- explain how to identify and manage risk;
- provide a formalised, coordinated, and consistent approach to managing risks that is understood by all;
- inform policy, strategic planning, and operational decisions by identifying key risks and their likely impact;
- preserve and enhance the effectiveness of service delivery and achievement of corporate objectives;
- minimise loss, disruption, damage, and injury and reduce the cost of risk, thereby maximising resources;

The Benefits of Good Risk Management

Support Governance framework

Greater control of insurance costs

Manage external changes in culture, political, environment etc

Helps to inform the decision making process

Helps to comply with legal and regulatory requirements

Better management of change programmes

Manages partnership, suppliers, contractors and ongoing services

Achieve our objectives and deliver services

Identifies and explores opportunities to enable innovation

Maintains service provision through adversity

Supports value for money

Minimises the impact of failure

Supports the Performance management framework

How the Council captures and monitors risks

The Council uses a web-based risk management system (4Risk) to record and manage risks and controls.

Risks are allocated to Risk Owners or Delegated Risk Owners and are regularly reviewed and updated.

The system can produce reports and statistics to help Risk Owners monitor and manage their risks and actions.

Management Actions, agreed in Internal Audit reports, are also entered into the 4Risk system and progress on their implementation is monitored.

The Risk Management Process

There are a number of critical steps in the process of identifying and managing risk:

Step	Details
Identify risks and controls	There is a need to identify the potential risks and exposure that may arise.
	In each case the causes of the risk and the consequences of the risk occurring should be established.
	In addition, any existing controls in place to mitigate the risks should be identified.
Analyse and score risks	The risks should be analysed and scored to assess the likelihood of any risk arising and the potential impact should they occur.
	Please see Appendix A for details of the scoring criteria.
Identify actions	Actions may be taken to avoid, eliminate, reduce or transfer the risk.
	Actions will be assigned to an action owner and have a date for implementation.
	Actions can be identified by managers or by Internal Audit as a result of a planned review.
Monitoring, reporting and review	Risks, controls and actions will be monitored on an ongoing basis by directors, heads of service and risk owners.
	The risk management team will report to Strategic Leadership Team twice per year, and the Senior Management Team twice per year.
	Performance statistics will be included in quarterly Performance Management reports and published on the Intranet.

Risk management is a continuous process, and risks should be regularly reviewed to monitor changes over time. The review of each risk should be recorded on the 4Risk system, to demonstrate a review has occurred.

The 4Risk system issues email reminders when Risks and Actions require review. Six monthly reports setting out the significant and high scoring risks will also be produced for Directors for review with their Executive Councillor(s).

Risk Categories

Risks can be categorised across a number of different themes and categories. The Strategic Leadership Team have identified 18 risk categories. Each risk is allocated a risk category to which it best fits, some risks will fall into more than one category, and in such circumstances the best fit should be selected. Please see Appendix A for a full list of the risk categories.

We also aim to develop thematic risk registers (e.g. Financial Resilience, Information Governance) to help managers identify their service risks.

Risk Management Escalation

The Council maintains a Service (Operational) risk register for each Service, plus a Corporate (Strategic) risk register for the whole Council.

It is best practice to review your risks in relation to delivery of our Corporate plan and delivery of your Service Plans. This helps you to consider where it is best managed and monitored. Some factors to consider include:

Service risk	Escalation	Corporate Risk
This is a risk which threatens delivery of your Service or Business Plan objectives. Likely to be an operational risk (e.g. day to day performance management) A risk which is best managed operationally (i.e. a manager can quickly respond to issues arising). If the risk materialises it will have a local impact (i.e. limited to one team).	Which register?	This is a risk which threatens delivery of our Corporate Plan. It is significantly important as it has a major impact if it materialises. It will require at least a single member of SLT to manage. It is a service risk which is cross cutting, effects many teams to such a stage that it would benefit from Corporate oversight. If the risk materialises it will have a Corporate impact (i.e. will impact many teams at the same time).

Service based risks can be escalated and become Corporate Strategic risks.

If a risk score is greater than our risk tolerance this would be a good driver for inclusion on the Corporate Register, even if it is just temporary.

Roles and Responsibilities

Everyone has a responsibility to manage risks, ensure risks are discussed and, record risks in the most appropriate place.

It is vital that everybody understands the role that they play, with every employee and Member of Cambridge City Council being responsible for ensuring effective risk management. The roles and responsibilities within the Risk Management Process are detailed below:

Group or Individual	Roles and Responsibilities
Civic Affairs	Members of Civic Affairs have the role of overseeing the effective management of risk by officers. In effect this means that they will agree the Strategy, Framework and process put forward by officers.
Executive Councillors	Ensure that risks are considered as part of the Portfolio Planning Process. Review and challenge the risks associated with their portfolios on a quarterly basis with the relevant Director.
Strategic Leadership Team	Strategic Leadership Team will approve the Risk Management Framework Process and Strategy. They will carry out twice yearly reviews of the key risks facing the Council and progress with the implementation of overdue and outstanding actions.
Heads of Service	Heads of Service will support the Risk Management framework strategy and process. Heads of Service are responsible for managing the risks within their service or associated projects and ensuring that risk management activity and targets for implementing actions are achieved and that the risk register is updated on a timely basis. Heads of Service will typically be a Risk Owner. The system will allow risk ownership to be delegated to a member of their team if this is more practical.
Risk Management Team	The Risk Management Team comprises a number of professional leads across the Council to help identify emerging risks and proportionate controls.
Internal Audit	Internal Audit is responsible for facilitating the integrated strategy and framework, and processes on behalf of the Council and its Strategic Leadership Team. They offer advice, guidance, support and challenge on all aspects of Risk Management as well as providing training on use of the Risk Register (4Risk). Internal Audit also provides independent assurance on the effectiveness of controls within the Council to mitigate risks. This helps to quality assure the risk management process. The risk register is used for monitoring the progress with implementation of management agreed actions resulting from audit reports. As part of the production and presentation of the annual Head of Internal Audit Opinion to the Civic Affairs committee, Internal Audit comments on the appropriateness of the risk management process

	within the Council; as well as identifying areas of no or limited assurance and the associated actions required.
Partners	Cambridge City Council works with a wide range of partners in delivering its services. It is important that these partners are brought into the risk management framework. At times it will be appropriate for partnerships / shared services to be undertaken. However, it is essential that accountabilities are adequately determined, and that Cambridge City Council does not overlook any risks that may arise as a result of its involvement in a joint venture. Even where there is transfer of operational risks, there will undoubtedly be some residual risks falling on the authority. It is **not** possible to transfer responsibility for the risk management process.

Risk Management Lines of Communication

As highlighted above there are many stakeholders involved in the Risk Management process.

Effective communication helps us to manage risks. The diagram below illustrates the role of each stakeholder group and the lines of communication between them.
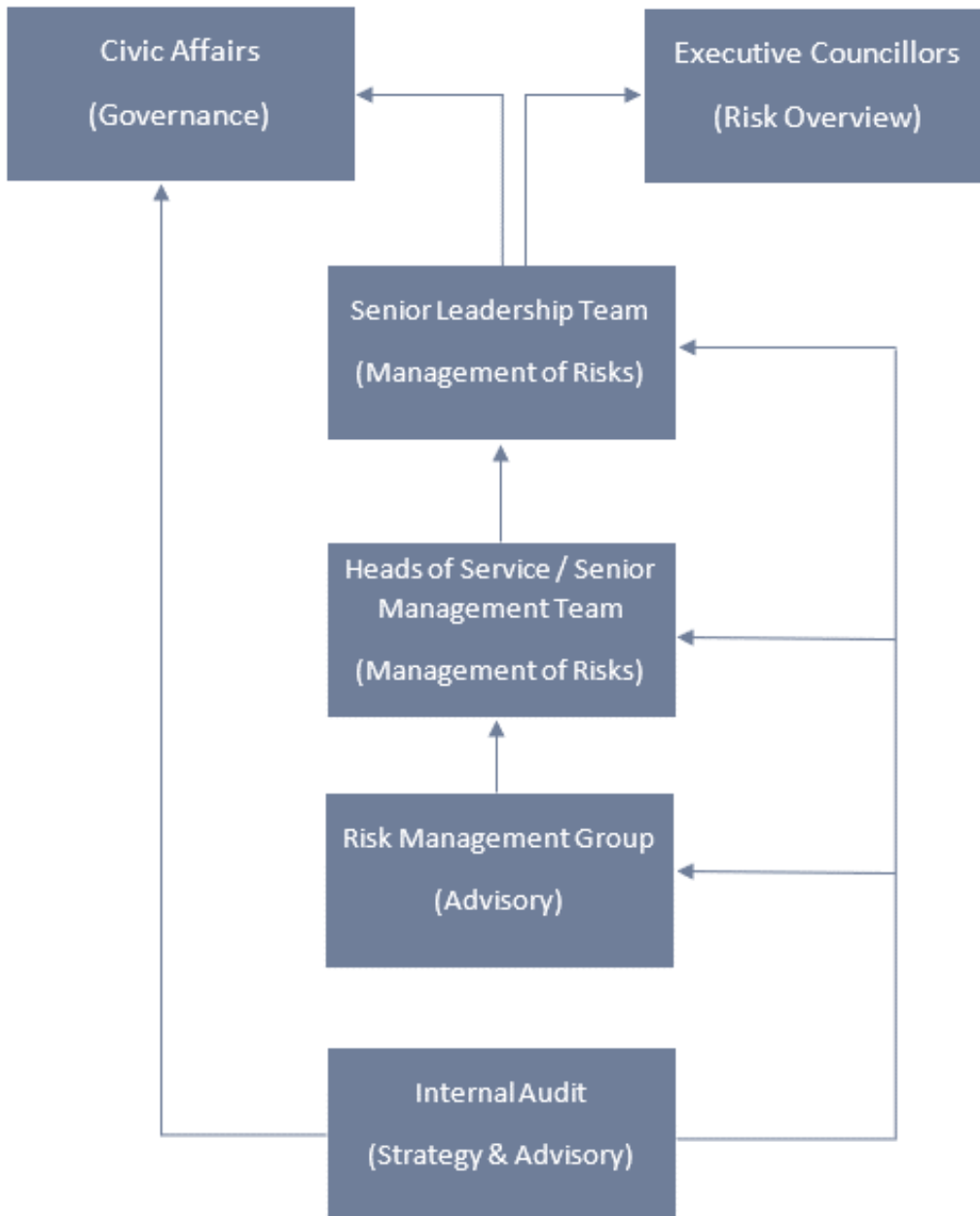
The Importance of an Integrated Approach

The Framework detailed above should provide a consistent, integrated top-down meets bottom-up approach to risk management – embedding it into our strategy and operations.

Other Risk Systems

Risks may be identified and recorded in other Risk Management Systems, where it makes more practical sense. In these circumstances it makes sense to use the same Corporate Scoring Risk Matrix as this enables and supports the escalation of risks to the Corporate Risk Register.

Other risk management systems could include:

Environment		System	Purpose
	Project management	PM3	Risks related to the delivery of projects.
	Business continuity	Excel or Word	To support agile and quick development of risks and controls in an emergency.
	Health and safety	Excel or Word	To help identify hazards and mitigation
	Thematic development	Excel or Word	Working papers for the development of thematic risk registers – e.g., Financial Resilience or Information Governance. These are typically strategic and cross cutting documents and can be used as reference tools for identifying service risks.

We also have an Office Risk Management Templates, uploaded on our Risk Management webpages, for the agile identification of risks and to support risk identification workshops.

Communication and Training

The Risk Management webpages on our intranet have recently been updated and enhanced. They include:

- reference material
- training and guidance
- intelligence on emerging risks

Internal Audit are looking to develop a suite of Risk Management training tools to support officers and members. This will include some self -serve videos on how to use the 4 Risk system as well as regular Risk Management drop-in sessions, focussing on various elements of the Risk Management process. Information regarding such training will be published on the Risk Management Intranet pages.

Appendices

Appendix A – Risk Scoring

Risk Scoring Matrix

Impact		Likelihood				
	5	5-10 Medium	5-10 Medium	12-15 Significant	16-25 High	16-25 High
	4	1-4 Low	5-10 Medium	12-15 Significant	16-25 High	16-25 High
	3	1-4 Low	5-10 Medium	5-10 Medium	12-15 Significant	12-15 Significant
	2	1-4 Low	1-4 Low	5-10 Medium	5-10 Medium	5-10 Medium
	1	1-4 Low	1-4 Low	1-4 Low	1-4 Low	5-10 Medium
		1	2	3	4	5
		Likelihood				

Below is the summary text and guidance included in the 4Risk system.

Score	Impact	Description
5	Critical	The consequences of this event occurring could cause the failure of a number of services or result in the Council having its powers removed through government intervention. The level of financial impact is likely to be over £500,000 in any year.
4	Significant disruption &/or damaging	Significant – the consequence of such an event occurring could cause the failure of the service or bring the Council into serious disrepute. The level of financial impact is likely to be up to £500,000 in any year.
3	Noticeable effect	This type of risk event would have a significant impact on a service's ability to provide its full range of activities. The result of this is that the integrity of the service/Council would be called into question by, for example an inspection service. The level of financial impact is likely to be up to £300,000.
2	Some limited disruption	These types of events can normally be dealt with through the normal day to day management of the service and internal control mechanisms. The level of financial impact is likely to be up to £50,000 in any year.
1	Virtually no impact	These events may be recognized internally but generally have no external impact and can be resolved quickly. The level of financial impact is likely to be under £5,000 in any year.

Score	Likelihood	Description
5	Dead Cert	In this case the event(s) may have already happened in the relatively recent past. Without controls it will happen again and may even occur despite controls. Projected increase in insurance premiums
4	Probable	The event is more likely to happen than not but there remains some possibility it will not. The chance of occurrence may be around 75%+.
3	Strong possibility	There is an even chance that this event may occur. (A probability would be around one in two, (50%)).
2	Some possibility	These events are not likely to occur but there remains some possibility it will. (A probability of a one in ten chance of this event occurring (10%)).
1	Little chance	These events will only occur in exceptional circumstances. (A probability of less than one in fifty (2%).

Risk Categories

Risk categories are used to identify the Authority's main areas of risk and should be used by managers to identify and analyse service risks. The risk categories highlight common areas/sources of risk within the Authority and should be used as a prompt to ensure that all risks are considered when identifying corporate and service risks.

Risk Category	Risk Description
Financial	Failure to effectively manage the Council's assets and finances including budget monitoring, financial priorities, medium/long term planning, fraud prevention.
Health & Safety	Failure to manage health and safety effectively leading to a prosecution under the Corporate Manslaughter Act or other health and safety legislation.
Major Projects	Failure to adequately manage and control major CCC projects.
Climate Change	Failure to meet Council's climate change commitments.
Recruitment & Retention	Failure to recruit and retain adequate number of suitable staff leading to key person dependency and loss of capacity building opportunities.
Legislation	Failure to ensure compliance with legislation.
Business Continuity	Failure to adequately plan and manage processes for unforeseen events (Civil Emergency Plan, Business Continuity Plans, IT failure)
Reputation	Damage to Council's reputation through adverse media coverage.
Partnerships	Failure to adequately manage and control partnerships working and joint agency activity and key contractor relationships.
Equalities/Social Exclusion	Failure to manage equalities/social exclusion (including duties for specific vulnerable groups).
Political	Ineffective political leadership, policy development and community leadership; member support.
Officer/Member Relationships	Ineffective officer/member working relationships.
Planning & Leadership	Opportunity to maintain and continue to improve Council efficiency through clear strategic focus, planning and leadership.
Governance	Inappropriate internal governance.
Procurement & Contract Management	Failure to ensure effective procurement and contract management arrangements.
IT & Technology	Failure to properly manage IT, data and the Council's website.
Change Management	Ineffective management of change, inadequate capacity and knowledge.
Physical Property & Assets	Failure to properly manage property and other assets, to prevent damage, loss or theft.

Appendix B - Glossary

Key Terms

These are the key terms that a Risk Manager needs to understand in their daily risk management responsibilities.

Term	Description
Action	Something in addition to the existing controls which needs to be carried out to mitigate a risk. Once implemented actions may become controls.
Analysing Risk	The evaluation of risk with regard to the severity if the risk is realised, and the likelihood of the risk being realised.
Cause	What will cause the risk to occur.
Consequence	What the consequence will be should the risk occur.
Control	Existing checks / processes in place to mitigate a risk.
Corporate (Strategic) Risk	Potential risks that may prevent the organisation achieving its aims and Medium-Term Objectives.
Impact (Severity)	The probable effect on the Organisation / Service if the risk occurs (scored from 1 – 5).
Likelihood	The probability or chance of the risk occurring (scored from 1 – 5).
Operational (Service) Risk	Potential risks that managers and officers encounter during their business planning and day-to-day service delivery
Risk	Risk is the uncertainty of outcome, whether a positive opportunity or a negative threat, of action and events. It is the combination of likelihood and severity.
Risk Management	All the processes involved in identifying, analysing and profiling risks, assigning ownership, taking actions to mitigate or anticipate theme and monitoring and reviewing progress.
Risk Score	The exposure arising from a specific risk after controls have been put in place to manage it and making the assumption that the control is effective. The score is calculated by multiplying likelihood by severity with controls in place.

Glossary of Specialist Terms

These are more detailed risk definitions and terms used by Risk Management Team and specialists.

Term	Description
Opportunity Risk	Most risk management standards and guidelines recognise the upside of risk. However, many people find the concept of opportunity risk management difficult to grasp, due to the negative associations of risk.
Threat Risk	Organisations should proactively manage opportunity risk. If only threat risks are managed, the best outcome expected is to meet the promised objectives but never to improve on them. The value of identifying opportunity risk and threat risk is that the Council can take a strategic approach to tackling the risk.
Risk Appetite	Level of risk we aim to operate within
Risk Tolerance	Level of risk we are willing to operate within
Risk Capacity	Maximum Level of risk we can operate with
Risk Universe	All of the risks that we document and are managed
Black swan event	An event that comes as a surprise, has a major effect, and is often inappropriately rationalized after the fact with the benefit of hindsight
Grey swan event	A potentially very significant event that is considered unlikely to happen but still possible. Examples include climate change, population growth, and rising debt.
White swan event	An event with a high certainty and easily estimated impact.

Appendix C - Risk management standards, legislation and guidance

These are some of the documents that we use to ensure our Framework stays up to date:

- ALARM (Association of Local Authority Risk Management) Risk Management Toolkit 2021
- ISO 31000:2018 Risk Management Guidance
- HM Treasury - Orange Book 2020
- Civil Contingencies Act 2004
- APP National Decision Model
- APP Risk
- Delivering Good Governance in Local Government 2016
- BS 31100:2011 Risk Management British Standard Code of Practice

Appendix D - Impact Matrix by Risk Category

Scoring risks consistently is important, as it helps us to prioritise our resources where it is most valued.

It can be challenging to consistently score the impacts of risks across the Council and Partners, as we can have different risk appetites. For example, not all teams have the same budget.

We tend to score risks according to how easy it is to measure their impact. It can be easy to quantify risks from their financial impact but considering other factors can more difficult. This can make it difficult to score risks consistently.

We have developed this matrix to help you consider the impact of a risk materialising across our different categories.

Bear in mind that sometimes risks can be cross cutting and fit into more than one category. In such scenarios we would suggest choosing the category where there is the greatest impact.

Risk Category	Risk Description	Virtually no impact	Some limited disruption	Noticeable effect	Significant disruption & / or damaging	Critical
5	Score	1	2	3	4	5
Financial	Failure to effectively manage the Council's assets and finances including budget monitoring, financial priorities, medium/long term planning, fraud prevention.	The level of financial impact is likely to be under £5,000 in any year.	The level of financial impact is likely to be up to £50,000 in any year.	The level of financial impact is likely to be up to £300,000.	The level of financial impact is likely to be up to £500,000 in any year.	The level of financial impact is likely to be over £500,000 in any year.
Reputation	Damage to Council's reputation through adverse media coverage.	No reputational damage. Coverage in media which is not typically frequented.	Limited coverage in social media and local media. Short term reduction in public confidence. Elements of public expectation not being met.	Brief coverage in the national media. Sustained coverage in the local media. Longer term reduction in public confidence.	Coverage in the national media.	Repeated and extensive coverage in the national media. Commentary from MP in Parliament. Total loss of public confidence.
Health & Safety	Failure to manage health and safety effectively leading to a prosecution under the Corporate Manslaughter Act or other health and safety legislation.	Physical No injury/claims.	Minor injury/claims (first aid treatment).	Violence or threat or serious injury/claims (medical treatment required).	Extensive multiple injuries/claims. HSE inspection.	Loss of life. HSE inspection.
Major Projects	Failure to adequately manage and control major CCC projects.	Insignificant cost increase Schedule slippage	<5 percent over project budget	5 – 10 percent over project budget	10 - 25 per cent over project budget	25 percent over project budget

Risk Category	Risk Description	Virtually no impact	Some limited disruption	Noticeable effect	Significant disruption & / or damaging	Critical
	Score	1	2	3	4	5
Change Management	Ineffective management of change, inadequate capacity and knowledge.	Adhoc officer resistance. Insufficient resources (time/officers) resulting in minor slippage on planned implementation timescales.	Minor levels of resistance. Insufficient resources (time/officers) resulting in minor slippage on planned implementation timescales.	Lack of awareness or desire to support the change at officer level. Noticeable levels of resistance. Insufficient resources (time/officers) resulting in noticeable slippage on planned implementation timescales.	Lack of awareness or desire to support corporate change amongst Senior Management. Significant levels of resistance. Insufficient resources (time/officers) resulting in significant slippage on planned implementation timescales.	Lack of awareness or desire to support corporate change at strategic level (SLT/Members). High levels of resistance. Insufficient resources (time/officers) resulting in major slippage on planned implementation timescales.
IT & Technology	Failure to properly manage IT, data and the Council's website.	Out of date links on Council's website Ad-hoc access issues for individual users.	IT issues which impact individuals for an extended period or a small group of users, for a short period, but does not cause disruption to customer service.	Outages due to hardware/software failures affecting larger number of users within a service impacting on customer service/service operations.	Frequent outages due to hardware/software failures causing significant disruption to multiple service operations.	Major IT outages due to failure or Hardware causing major disruption to service delivery. Software no longer supported by suppliers.
Business Continuity	Failure to adequately plan and manage processes for unforeseen events (Civil Emergency Plan, Business Continuity Plans, IT failure)	Insignificant disruption on internal business – no loss of customer service. Less than 1 hour.	Some disruption on internal business only – no loss of customer service. Interruption of half a day.	Noticeable disruption to Council – would affect customers (loss of service no more than 48 hours).	Major disruption to the Council – serious damage to organisation's ability to service customers (loss of service for more than 48 hours but less than seven days).	Loss of service delivery for more than seven days.
Recruitment & Retention	Failure to recruit and retain adequate number of suitable staff leading to key person dependency and loss of capacity building opportunities.	Insignificant impact on service operation as a result of staff turnover. Occasional use of temporary staff Occasional vacant posts for a short period	Minor disruption to internal operations due to staff leaving/training new members of staff. Frequent use of temporary staff Frequent vacant posts for a short period	Significant number of staff leaving the council resulting in minor disruption to service delivery. Inability to recruit experienced permanent employees. Reliance on temporary workers to fill vacant posts.	Significant number of staff leaving the council resulting in major disruption to service delivery. Inability to recruit experienced permanent employees. Reliance on significant levels of temporary staff in individual service areas.	Unable to maintain service delivery due to high volumes of staff leaving the council/inability to recruit in a timely manner. Unable to attract suitable staff (permanent/temporary)
Legislation	Failure to ensure compliance with legislation.	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/or local public enquiry	Major civil litigation setting precedent and/or national public enquiry	Section 5 notice, Section 151 or government intervention or criminal charges.

Risk Category	Risk Description	Virtually no impact	Some limited disruption	Noticeable effect	Significant disruption & / or damaging	Critical
	Score	1	2	3	4	5
Partnerships	Failure to adequately manage and control partnerships working and joint agency activity and key contractor relationships.	Minor partnership friction	Some delay to projects	Project over-run against time and cost budgets, need for greater investment of senior officer time	Projects and initiatives not delivered; reputational damage and loss of trust impacting on future funding and partnership proposals	Irreconcilable breakdown in partnerships with loss of facility for joint working + reputational damage
Equalities / Social Exclusion	Failure to manage equalities/social exclusion (including duties for specific vulnerable groups).	Minor impact – queries able to be resolved	Risk of delay to initiatives and/or diversion of resources to resolve issues	Extended delays to projects and initiatives to ensure equalities considerations properly addressed	Adverse impacts for people with protected characteristics; risk of challenge; reputational damage	Legal challenge over legal compliance; significant reputational impact
Political	Ineffective political leadership, policy development and community leadership; member support.	Objectives still achieved with minimum extra cost or inconvenience	Partial achievement of objectives with compensating action taken or reallocation of resources.	Additional costs required and or time delays to achieve objectives – adverse impact on PIs and targets.	Unable to achieve corporate objectives or statutory obligations resulting in significant visible impact on service provision such as closure of facilities.	Unable to achieve corporate objectives and/or corporate obligations
Officer/Member Relationships	Ineffective officer/member working relationships.	Queries easily resolved	Queries and issues take longer to resolve	Policies and projects delayed due to additional queries and challenge	Difficulty in setting budgets or approving major policies: Significant diversion of officer and member time spent on issue; may require external (e.g. peer support)	Complete breakdown in officer/member relations – potential need for external intervention; major reputational damage
Planning & Leadership	Opportunity to maintain and continue to improve Council efficiency through clear strategic focus, planning and leadership.	Minor queries, easily resolved	Potential misunderstanding of priorities, minor delay / disruption to activities and initiatives	Some priorities delayed or not delivered due to insufficient clarity, planning or leadership	Financial and service objectives not met, with impacts for stakeholders and potential for unplanned financial consequences	Failure to deliver major service objectives; customer and stakeholder dissatisfaction; serious financial consequences.
Governance *	Inappropriate internal governance.	Minor weaknesses in governance risk and control identified. Management can easily and quickly rectify and implement improvements.	Independent and external assurance reporting identifies moderate weaknesses in governance risk and control.	Independent and external assurance reporting identifies major weaknesses in governance risk and control. Reporting in the Annual Governance statement required.	External inspection conducted under section 10 of the Local Government Act 1999. Reporting in the Annual Governance statement required.	Intervention and appointment of external parties / Commissioners to take over key functions in relation to governance and operations. Reporting in the Annual Governance statement required.

Risk Category	Risk Description	Virtually no impact	Some limited disruption	Noticeable effect	Significant disruption & / or damaging	Critical
	Score	1	2	3	4	5
Procurement & Contract Management	Failure to ensure effective procurement and contract management arrangements.	Limited resource, excessive demand for support	Lack of market visibility, unaware of innovations that may impact suitability of tender. Unaware of national trends in supply chain	Lack of contract management post award	Failing to follow procurement procedures and legislation	Lack of planning by stakeholder services Legislative changes or national requirement Supplier financially or operationally fails
Physical Property & Assets	Failure to properly manage property and other assets, to prevent damage, loss or theft.	Minor damage or loss to physical fabric that does not prevent ongoing use	Minor damage or loss to physical fabric that does not prevent ongoing use but disruption due to alternative arrangements or during repairs.	Damage or loss to physical structure that prevents ongoing use pending repair	Significant damage or loss to physical structure that prevents ongoing use for extended period pending substantial repair.	Catastrophic damage or loss to physical structure requiring full closure and alternative premises for ongoing operation
Environmental	Failure to properly identify/manage environmental impact.	Minimal or no impact on the environment.	Minor impact on the environment.	Moderate impact on environment.	Major impact on environment.	Catastrophic impact on environment.
Performance and Objectives	Ineffective performance monitoring arrangements.	Minimal impact on performance	Underperformance not detected or reported early, opportunity to mitigate may be missed	Underperformance not reported resulting in inefficiency, cost, delay and poor service	Major impact on performance requiring costly intervention to recover; reputational damage and impact on officer-member trust	Total absence or failure of performance management resulting in service failure, complaints, reputational and relational damage, potential need for external intervention