CAMBRIDGE CITY COUNCIL

RISK MANAGEMENT

Contents

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Version Control

Version	Date	Updated by	Summary of change
1.0	22/09/2021	Stephanie Fisher	Approved by Civic Affairs Committee
1.1	06/12/2022	Jonathan Tully	Added guidance on scoring risks at residual stage.
1.2	04/01/2024	Stephanie Fisher	Update to reflect structural and operational changes
1.3	01/09/2025	Stephanie Fisher	Finance Scores Revised
1.4	08/12/2025	Claire Tunesi	Updated hyperlinks
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Risk Management Strategy

Introduction

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

Governance

Good governance enables the Council to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk. Our governance framework is designed to ensure that the Council is doing the right things, in the right way, for the communities it serves in a timely, inclusive, open, honest and accountable manner.

Risk Management is a key element of Cambridge City Council's Governance Framework, and our Risk Management Strategy & Framework are designed to manage risk to a reasonable level.

Internal Audit regularly reviews systems of internal control, providing independent assurance on the adequacy and effectiveness of the controls in place to manage risks and agreeing actions with management to improve controls where needed.

The Civic Affairs and Audit Committee of the Council has the role of overseeing the effective management of risk by officers, and updates or revisions to this framework and strategy are presented to that committee for oversight and agreement.

Aims and Objectives

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 Council's ability to achieve its objectives.

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

Our strategic aim is to:

- integrate 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

Defining our risk appetite provides a consistent structure for the management of risks, including decision-making and allocation of resources to manage risks.

Our current risk appetite is determined by reference to risk scores, with the aim to ensure that all operational risks have a score of 10 or below (green or yellow risks). Risks will be regularly reviewed to ensure that the residual risk score remains within the agreed risk appetite level.

We recognise there may be circumstances where it may be appropriate to accept or tolerate amber risks, outside of the established risk appetite level. In such circumstances the rationale for proceeding should be discussed and agreed with the relevant Director(s) and fully recorded within the 4Risk system.

There is no tolerance for red risks, if a red risk is identified there will be immediate actions put in place to reduce the level of risk.

Any amber or red risks are automatically reported to Cabinet in the Quarterly Performance Report. A red risk will be reported to the relevant Executive Councillor at the earliest possible opportunity.

Fraud Risks

The new Economic Crime and Corporate Transparency Act, which came into force 1 Sept 2025, requires all organisations to identify whether any of their activities could be subject to fraud and set out what they are doing to manage the risk of fraud. The Council is therefore required to demonstrate reasonable procedures are in place to prevent officer/agent fraud which either intentionally or unintentionally benefits the Council.

We have introduced additional fields in our risk register to capture fraud risk information to demonstrate compliance with the legislation.

Our Processes

The Risk Management process involves identifying:

- potential risks and opportunities,
- what might cause the identified risks/opportunities to occur, and
- the consequences of a risk materialising or failing to pursue opportunities.

Our agreed approach is to identify controls that are currently in place to mitigate each risk and establish any additional actions required to further reduce the likelihood of the risk arising and/or the impact should it occur.

The greater the understanding of risks that the Council is exposed to, together with the causes and consequences of these risks, the more informed future decision making can be. Learning from other existing or previous risks is an important part of building our understanding.

Our processes, roles and responsibilities, performance and training information are detailed within the Risk Management Framework below.

Risk Management Framework

Why do we need a risk management framework?

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

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.

Effective risk management is critical to ensure the Council maintains services, progresses towards achieving its objectives, and provides assurance that the Council is operating in line with the agreed governance framework.

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

Framework aims

The aims of the Council's Risk Management Framework are to:

- Build a practical, risk-aware culture.
- Use one clear, consistent approach.
- Support better decision making by identifying key risks early.
- Protect service delivery and corporate objectives.
- Reduce disruption, harm and cost.

Risk Management Cycle

At the heart of good risk management is the risk management cycle. The four steps of this process drive our practical approach to risk management.

1. **Identifying risks and controls**

Identifying risks, and any controls we already have in place, is the responsibility of everyone associated with the Council. All Officers are expected to identity and flag potential risks within their area of work. Members can also flag risks.

Operational staff should report actual and potential risks to their managers, and where appropriate log them on one of our risk management systems, alongside the controls they have in place.

2. **Analyse and Score Risks**

Council managers are responsible for managing risks within their area. This includes carrying out the analysis and scoring of risks and recording them in the appropriate risk management system. Guidance to help with scoring is available in Appendix C: Risk Categories.

It is crucial to recognise that analysis and scoring is only one step in the risk management cycle and that being aware of and recording a risk does not complete the risk management process.

3. **Identify Actions**

Council managers should work with relevant colleagues (including where appropriate their line manager) to identify and develop actions to reduce the level of a risk when the risk score indicates that an action is necessary. Actions can be one off or can be the establishment of ongoing controls.

Our risk appetite currently indicates that any risk that is amber or red requires action to reduce the level of risk, or at minimum to identify and agree with their director that an amber risk is unavoidable.

- Yellow risks could require actions, particularly if the risk level could grow.
- Risks that are green with current controls do not require additional actions.

Actions should be primarily identified by risk managers; however, actions can also be identified as the result of Internal Audit activity.

Our risk scoring heat map in Appendix B shows the relationship between a risk score and whether that score indicates a green, yellow, amber or red risk.

4. **Monitoring, Reporting and Review**

Risk managers should monitor and review their risks on a regular basis, particularly where they are aware of any changes.

To ensure all risks are regularly reviewed, the Council also runs a formal process every quarter, where all risks, controls and actions are reviewed. This provides assurance that the framework is being followed.

All our risks are considered operational, and they are each linked up to at least one of seven strategic risk areas that have been identified for the Council. The aggregated scores for our operational risks provide a clear overview of the strategic risk level for the Council.

The quarterly review is used as the basis for quarterly reports to Directors and Chief Officers, and on to Cabinet, where the strategic risk levels and any amber or red operational risks are reported publicly.

Directors and Chief Officers should ensure that risks in their areas are well managed, and that any areas requiring whole Council action are recognised and the relevant action put in place. Cabinet members are similarly responsible for ensuring that risks in their areas are properly reviewed and challenged, at minimum on a quarterly basis, and that any new or emerging risks are properly recorded.

Partner and Contractor Risks

Some of our activity is delivered by partners or contractors. In such circumstances the risks relating to service delivery may not sit with CCC, however there may be residual risks which we cannot transfer which need to be considered using the process outlined above and recorded within our own risk management systems.

For shared services, the Shared Service Boards for these services are responsible for ensuring that risks are recorded in the relevant risk registers (e.g., CCC/SCDC/HDC), and that suitable processes are in place for the escalation of risks and provision of assurance.

Communication and Training

The Risk Management webpages on our intranet are regularly updated and enhanced. They include:

- Supplementary guidance
- Training and reference materials
- Intelligence on emerging risks

We are developing a suite of Risk Management training tools to support officers and members. This includes self-serve videos on how to use the 4Risk system as well as regular Risk Management drop-in sessions, focussing on various elements of the Risk Management process. Details of all available resources are published on the Risk Management Intranet pages.

Appendices

Appendix A: Risk Management Systems

The following systems are the agreed risk management systems for the Council. The default system is 4Risk, and there are high level risks in place within 4Risk to ensure that risks in the other systems are included in our strategic risk position.

Environment	System	Purpose
Corporate Risk Register	4Risk	Holds the corporate Risk Register, and it the primary data source for risk reports. It includes risks from across the Council, organised by Group. It also includes actions agreed as the result of Internal Audit reports
Project management	Smartsheet	Risks specifically 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	MyCompliance	Health & Safety risks with limited impacts and where the wider, umbrella risks are already reflected in the corporate risk register.
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 operational risks.
Building Compliance	SafetyCulture/ Teams Software	Systems specifically designed to monitor fire safety and asbestos compliance respectively.

Appendix B – Risk Scoring

The process of scoring a risk starts with the consideration of both its impact, and its likelihood:

The tables below give an overview of scoring for impact and for likelihood.

Score	Impact	Description (more details in the matrix below)
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.
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.
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.
2	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.
1	Virtually no impact	These events may be recognized internally but generally have no external impact and can be resolved quickly.

Score	Likelihood	Description
5	Dead Cert	In this case the event(s) may have already happened in the recent past. Without controls it will happen again and may even occur despite controls. Projected increase in insurance premiums. 91 -100% chance of the event occuring.
4	Probable	The event is more likely to happen than not but there remains some possibility it will not. 66 -90% chance of the event occuring.
3	Strong possibility	There is an even chance that this event may occur. 36-65% chance of the event occuring.
2	Some possibility	These events are not likely to occur but there remains some possibility it will. 11-35% chance of the event occuring.
1	Little chance	These events will only occur in exceptional circumstances. 0-10% chance of the event occuring.

The overall risk score is the product of the two: impact x likelihood, so a risk with an impact or 3 and a likelihood of 2 is scored as 6 (3x2)

Risks can be assessed and scored at three stages:

- The **inherent risk** is what could happen before any mitigating controls are used - *the worst-case scenario*.
- The **residual risk** is what could happen after our controls have been implemented - *where we are today*.
- The **target risk** is what we could achieve if we implement further actions - *where we could be in the future*.

We score risks on the 4Risk system at the **residual risk** stage - *where we are today*. This helps us to understand what our greatest risks are, and how to prioritise resources best.

We also capture inherent risk scores. The provision of inherent risk scores enables us to evaluate the effectiveness of existing controls to mitigate risks.

It is vital to understand the difference between residual and inherent risk, particularly because we need to ensure our risk controls are properly monitored.

A very significant inherent risk, with the proper controls in place can become quite a low risk, so long as the controls are effectively maintained. Where that is the case, we need to make sure the residual score is accurate or we could end up using more resources to manage what is already a low risk.

However, we also need to make sure that the controls are properly maintained, otherwise a low risk can become a much higher risk very quickly. Financial risks are a good example of well-maintained controls reducing a very high inherent risk to a low residual risk.

Once a risk has been scored the following heat map shows whether it is a green, yellow, amber or red risk.

Risk score: Heat Map

Impact		1	2	3	4	5
	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

Likelihood

Appendix C: Risk Categories

Risk categories are available in 4Risk as an additional way to categorise risk beyond their group and the risk score. The category descriptions below can also help where there is uncertainty on the level of impact.

Risk Category	Risk Description	Virtually no impact	Some limited disruption	Noticeable effect	Significant disruption & / or damaging	Critical
	Score	1	2	3	4	5
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.
Change Management	Ineffective management of change, inadequate capacity and knowledge.	Ad hoc 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.

Risk Category	Risk Description	Virtually no impact	Some limited disruption	Noticeable effect	Significant disruption & / or damaging	Critical
	Score	1	2	3	4	5
Environmental (incl Climate Change)	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.
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
Financial	Failure to effectively manage the Council's assets and finances including budget monitoring, financial priorities, medium/long term planning, fraud prevention.	The total level of financial impact is likely to be less than £50,000.	The total level of financial impact is likely to be between £50,000 and £150,000.	The total level of financial impact is likely to be between £150,000 and £500,000.	The total level of financial impact is likely to be between £500,000 and £3 million.	The total level of financial impact is likely to be over £3 million.

Risk Category	Risk Description	Virtually no impact	Some limited disruption	Noticeable effect	Significant disruption & / or damaging	Critical
	Score	1	2	3	4	5
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.	Reporting in the Annual Governance statement required. Independent and external assurance reporting identifies major weaknesses in governance risk and control.	Reporting in the Annual Governance statement required. Best Value Notice Issued External inspection conducted under section 10 of the Local Government Act 1999.	Reporting in the Annual Governance statement required. Best Value Notice Issued Intervention and appointment of external parties / Commissioners to take over key functions in relation to governance and operations.
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.
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.

Risk Category	Risk Description	Virtually no impact	Some limited disruption	Noticeable effect	Significant disruption & / or damaging	Critical
	Score	1	2	3	4	5
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.
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
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
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

Risk Category	Risk Description	Virtually no impact	Some limited disruption	Noticeable effect	Significant disruption & / or damaging	Critical
	Score	1	2	3	4	5
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
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.
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

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
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)

Risk Category	Risk Description	Virtually no impact	Some limited disruption	Noticeable effect	Significant disruption & / or damaging	Critical
	Score	1	2	3	4	5
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.

Where risks cut across multiple risk categories, the highest scoring risk category should be recorded in the risk register.

Appendix D – Supporting Guidance

There are a number of useful guides available on the Risk Management intranet pages.

Key documents referenced in this Document are listed below:

Area	Overview	Link
Fraud Risks	This guide explains the legislative requirement for a Fraud Risk register and how to record details on 4Risk	Fraud Risks Guidance
Parent & Child Risks	Each operational risk should have at least one parent risk which is or is linked to at least one of the 7 strategic, thematic risks. This guide provides more information on the purpose or and how to record parent & child risks.	Parent & Child Risks
Risk References	Each risk has a unique risk reference which indicates where the risk sits within the organisation at a glance. This guide provides further explanation of how risk references are allocated and how to use them.	Risk References
Roles & Responsibilities	This guide provides more detail on the roles and responsibilities of officers and members.	Roles and Responsibilities
Quarterly Risk Reviews	The guide outlines the background and process for quarterly risk reviews.	Quarterly Risk Reviews
Actions	Further information on Management and Internal Audit actions.	Actions

Appendix E- Glossary

Key Terms

These are the key terms that a Risk Manager needs to understand to fulfil 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.
Operational (Service) Risk	Potential risks that managers and officers encounter during their business planning and day-to-day service delivery
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).
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 assuming that the control is effective. The score is calculated by multiplying likelihood by severity with controls in place.

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 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.
Grey rhino	A highly probable event with a great deal of impact which is dismissed or overlooked because it is not taken seriously enough in the short term. A totally predictable grey rhino might be building new homes on a flood plain with one-in-a-hundred-year mitigation measures put in place.
Polycrisis	Where current/future global risks interact, resulting in compounding impacts which exceed the sum of the individual risks. Examples include the pandemic, Ukraine war, and resulting impacts such as supply chain, inflation, housing refugees.
Permacrisis	Permacrisis remains a new and evolving concept but can be defined as "an extended period of acute uncertainty and instability, including a portfolio of different but interrelated, potentially existential, crises (e.g., political, economic or social). These are unlikely to have definitive permanent solutions – rather they need eventually to be assimilated within mainstream public policy planning and management. 'Permacrisis', when examined through a public policy and placemaking perspective, represents an extended stretch of chaos and instability, which often require permanent modifications rather than distinct solutions.

Appendix F - Risk Management Standards, Legislation & Guidance

These are the key documents that we reference to ensure our Framework stays up to date:

- ALARM (Association of Local Authority Risk Management) Risk Management Toolkit 2021
- <u>HM Treasury - The Orange Book Management of Risk – Principles and Concepts (last update June 2025)</u>