RISK MANAGEMENT POLICY

Adopted at the XXXXXXX meeting of Eastleigh Town Council

Subsequent amendments agreed as follows:

Version	Owner	Date Approved	Minute Ref	Action?	Website updated	Next review
V1-2025	Town Council	23/07/2025	30 / 25 / 2			

Introduction

Eastleigh Town Council recognises that it has a responsibility to manage risks effectively to protect its employees, assets, liabilities, and community against potential losses, to minimise uncertainty in achieving its goals and objectives and to maximise its opportunities.

This policy outlines Eastleigh Town Council's approach to managing risk and is to be used alongside the Risk Register. It has been developed in accordance with the guidance set out in *Governance and Accountability for Local Councils – A Practitioners' Guide (England)*, issued by the Joint Practitioners Advisory Group (JPAG), and to ensure compliance with the Health and Safety at Work Act 1974.

The document sets out the:

- Risk Management Policy
- Objectives of Risk Management
- Types of Risk as split between the eight areas of Council management
- The risk register details
    - the Roles and responsibilities
    - Risk Management process
    - Approach to future monitoring

The council mitigates risk by:

- Integrating risk management into the culture of the organisation.
- Embedding risk management through the ownership and management of risk as part of all decision-making processes.
- Managing risk in accordance with best practice.

Objectives of Risk Management

The stated aims and objectives of risk management within Eastleigh Town Council's day-to-day operation are to:

- Identify, evaluate, and manage the opportunities and risks to which the Town Council is exposed, at strategic and operational level.
- Protect physical assets, promote employee and public safety, and maximise resources.
- Enable effective and safe delivery of services to local people and minimise the risk of significant failures
- Enable the identification of opportunities and risks associated with the council's budget options and business planning to ensure that opportunities and risks are controlled.
- Enable better, more informed decision making at all levels.
- Review, evaluate, and implement issues identified from experience.
- Promote good corporate governance.

It is the responsibility of all Members and Officers to have regard for risk management whilst performing their duties.

Types of Risk

To manage risk, the council needs to know what risks it faces. Identifying risks is therefore the first step in the risk management process.

The council will identify the key risks to achieving its priorities and service objectives:

1. Financial Risks
2. Property and Assets Risks
3. Reputational Risks
4. Council Management Risks
5. Project Management Risks
6. Legal and Statutory Risks
7. Officers Management Risks
8. Information Technology Security Risks

Roles and Responsibilities for Risk Management

All Members and Officers of Eastleigh Town Council are responsible for risk management.

Members:

- Have collective responsibility in understanding the strategic risks which the Town Council faces.
- Ensure that all identified risks have been considered in decision making and countermeasures and controls are defined.
- Agree and publish a clear Risk Management Policy and oversee the effective management of risks by the Clerk.
- Monitor the effectiveness of the Town Council's risk management arrangements by reviewing any risk management reports to council.

Clerk:

- The lead officer for risk management.
- Has the responsibility to understand the strategic and operational risks that the Town Council faces and to oversee the effective management of these risks by officers.
- Leads on the corporate governance agenda which includes risk management and with the council's Chair approve the Annual Governance Statement.
- Ensures that risks are fully considered in all strategic decision making and that the Risk Management Policy helps the Town Council to achieve its objectives and protection of assets.
- Provides advice as to the legality of policy and service delivery and update the Town Council on the implications of new or revised legislation.
- Assesses and implement the council's insurance requirements.
- Assesses the financial implications.

Policy and Finance Committee:

- Supports the Clerk in all aspects of risk management.
- Understands the strategic and operational risks that the Town Council faces.
- Ensures that a structured and systematic approach is in place for the identification, recording, and reporting of risks and opportunities.
- Ensures processes are in place to ensure that risks are fully considered in all decision making and that the Risk Management Policy helps the Town Council to achieve its objectives and protection of assets.
- Assists in embedding a culture of risk management through the Town Council and encourage appropriate training, including induction and refresher training for Officers.

Officers:

- Understand their accountability for individual risk.
- Understand how they can enable continuous improvement of risk management.

- Understand that risk management and risk awareness are a key part of the organisation's culture.
- Report systematically and promptly to the Clerk any perceived new risk or failure of existing control measures.
- Record areas of risk which fall directly within their day-to-day areas of control and review in line with agreed target dates.
- Provide a pro-active role in the reporting and assessing of physical risks in respect of public, Officers, and property.

Role of Internal Audit:

- Provide a scrutiny role by conducting audits to provide independent assurance to Members, via the Internal Auditor's annual audit plan and post audit report that the necessary risk management systems are in place.

The Risk Management Process

Identification of Risks

The Clerk is responsible for identifying and recording any risks on a day-to-day basis within the operation of the council. Identification will be either via a formal process of planned inspections or ad hoc requests or risks being noted through everyday working situations.

When changes to working arrangements, new initiatives, events, or projects are to be undertaken, the Clerk will seek to identify any risks early in the planning process and prior to implementation.

Each risk should be described and set out on a risk assessment form.

All risks identified must be recorded on the risk register.

Evaluation of Risks

On identification of a risk, the Clerk will assign a risk factor by reference to the risk matrix.

The risk matrix considers the likelihood of a risk materialising and the impact it would have.

		Severity				
		Insignificant	Minor	Moderate	Major	Severe
		1	2	3	4	5
Likelihood	Almost Certain (3)	3	6	9	12	15
	Likely (2)	2	4	6	8	10
	Possible (1)	1	2	3	4	5

According to the level of risk identified appropriate action should be taken.

If the level of risk is high, it may not be possible to wait until a formal response or action has been agreed by the council. The risk factor table below provides guidance in assessing appropriate action.

Risk Factor		**Action**
Red	Very High/ High	Immediate notification to Chair, Vice Chair of Full Council. Identify remedial action for consideration and implementation.
Amber	Medium	Immediate notification to Chair, Vice Chair of Full Council.
Green	Low	Notify to Chair, Vice Chair of Full Council.

Where remedial action incurs non-budgeted costs of £1,000 or over, these should be reported to the Policy and Finance Committee at the earliest opportunity.

Mitigation of Risk

The Clerk should consider what controls are in place to mitigate the risk. These could include controls to reduce the likelihood of a risk occurring or to reduce the impact on Eastleigh Town Council.

Only existing controls that are already in place should be considered and included on the risk assessment/notification form.

Decide on Any Further Action to be Taken

Following evaluation, there are four main control options to manage the risk:

1. **Terminate the risk** – Take a decision to discontinue the activity.
2. **Transfer the risk** – The risk is 'passed' on e.g., to an insurer.
3. **Treat the risk** – Put in place additional effective controls to reduce the impact or likelihood.
4. **Tolerate the risk** – Accept the risk but continue to monitor and evaluate.

Where additional controls are required, these should be agreed with the Chair and Vice-Chair of the Policy and Finance Committee and details entered onto the risk assessment form and the Town Council notified at its next meeting.

Allocation of Responsibility

Each risk should be passed to the Clerk who will be responsible for implementing controls and ensuring they are working. The Clerk will also be responsible for monitoring the risk.

Completing the Risk Register

All completed risk assessments must be passed to the Chair of the Policy and Finance Committee for checking prior to entering onto the risk register.

All risk assessments must be recorded in the risk register. These will be grouped against the eight areas of:

1. Financial Risks
2. Property and Assets Risks
3. Reputational Risks
4. Council Management Risks
5. Project Management Risks
6. Legal and Statutory Risks
7. Officers Management Risks
8. Information Technology Security Risks

Monitoring and Reporting

An annual review of the current risk register and risk management arrangements for the Town Council will be conducted by the Policy and Finance Committee and reported to the Full Council.
The Town Council's risk management Policy will be also reviewed as part of the internal control environment within the Annual Governance Statement. This is agreed annually by the Town Council in June.