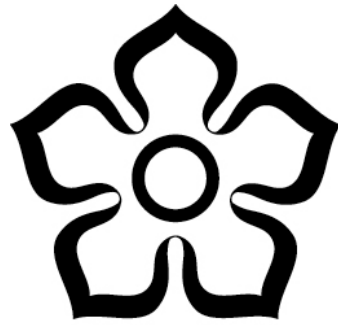


Appendix 1



Leicester  
City Council

# **Risk Management Policy Statement and Strategy 2024**

21/02/2024

Leicester City Council

Sonal Devani on behalf of Andrew Shilliam

# Table of contents

Risk Management Policy Statement.....	3
Risk Management Strategy.....	5
INTRODUCTION.....	5
AIMS AND OBJECTIVES .....	5
ASSURANCE AND REPORTING STRUCTURE OF RISKS AT LCC .....	6
RISK DEFINITION AND APPETITE .....	7
RISK FINANCING.....	9
RISK MANAGEMENT PROCESS.....	9
IDENTIFYING THE RISKS .....	11
ASSESS / ANALYSE AND EVALUATE RISKS.....	11
MANAGE THE RISKS .....	12
RISK TREATMENT AND DECISION MAKING.....	13
MONITORING AND REVIEWING THE RISKS.....	13
RISK REPORTING .....	14
PARTNERSHIP RISK.....	16
RISK MANAGEMENT TRAINING .....	16
INSURANCE LIMITS AND PROCURING OF SERVICES / GOODS (RISK TRANSFER).....	16
REVIEW OF RISK MANAGEMENT POLICY AND STRATEGY .....	16
RISK MANAGEMENT AT LEICESTER CITY COUNCIL .....	17
CONCLUSION.....	17
Appendix 1 - LEADERSHIP, ROLES AND RESPONSIBILITIES .....	18
Appendix 2 – RISK APPETITE AND RISK SCORING MATRIX .....	20
Appendix 3 – RISK ASSESSMENT / REGISTER TEMPLATE .....	23
Appendix 3A – RISK REGISTER TEMPLATE (FOR USE WITH SRR AND RISK REPORTING) .....	24
Appendix 4 – RISK ACTION PLAN TEMPLATE .....	25
Appendix 5 – 2024 TRAINING SCHEDULE .....	28
Appendix 6 – CATEGORIES OF RISK .....	30
Appendix 6A – OTHER POTENTIAL AREAS OF RISK/OPPORTUNITIES TO CONSIDER .....	31
Appendix 7 – PESTLE ANALYSIS FOR CONSIDERATION IN SRR .....	32

# Enterprise Risk Management

## Policy Statement and Strategy 2024

### Risk Management Policy Statement

#### Leicester City Council's (LCC) approach to the management of enterprise risk

Risk management involves identifying, assessing, managing, monitoring, reporting, and communicating the council's threats and opportunities. By doing so effectively, LCC is in a stronger position to deliver its objectives. Risk is a feature of all business activity and is an attribute of the more creative of its strategic developments. The Council acknowledges that risk can never be eliminated entirely and accepts the need to take proportionate risks which should be identified and managed appropriately in order to achieve its strategic objectives. However, residual risks may still be high after further controls are identified and implemented. Such risks may relate to activities/projects where the organisation has statutory responsibilities to deliver those services, and in such instances, it is important that risks are being managed effectively and efficiently and the impact is minimised as far as is reasonably practicable should the threat/event occur. By assessing potential problems and developing strategies to address them, we are able to improve our chances of a successful, if not perfect delivery of the project/initiative assessed. The Council recognises that managing risk can also identify positive opportunities which, with the appropriate level of control, may lead to service improvements. The measures which the Council adopts are principles of good management practice which seek to control and balance risk and opportunity. The risk strategy implemented at the Council supports this and ensures that high priority risks are cost effectively managed and provide decision makers at all levels with the information required to make informed decisions.

#### The key objectives of Risk Management at LCC are to:

1. Proactively identify, manage and act on opportunities and threats to enable the Council to achieve its objectives and integrate risk management into the culture and day to day activities of the Council.
2. Prevent death, injury, damage, losses, and reduce and minimise the cost of incidents and accidents.
3. Comply with governance requirements with risk management (identification of, and plans to manage, risk) forming an integral part of the Council's governance including decisions taken by the Executive and Corporate Management Team (CMT).
4. Make the Executive, CMT and Governance and Audit Committee aware of the potential key strategic and operational risks.
5. Ensure the organisation's risk profile and exposure is communicated top down, bottom up and across the organisation and coordinate targeted action plans designed to manage or reduce the risk profile.
6. Embed, actively support and promote risk management. Raise awareness of the need for risk management to those involved in developing the Council's policies and delivering services and ensure it is understood that risk management is a cross service planning activity.
7. Ensure that a systemic and consistent approach to risk management is adopted throughout the organisation and as part of divisional planning, performance management and models of operation.
8. Supporting a culture of well-measured risk taking throughout the Council's business and informing operational decisions by identifying risks and their likely impact.
9. Ensure risks are considered, actioned and responsibility is assigned in the commissioning, procurement and contract management of goods/services.

10. Manage risk in accordance with best practice and comply with statutory and regulatory requirements, for example Fraud Act, Anti Bribery and Care Acts.

**The above objectives will be achieved by:-**

1. Ensuring CMT, Directors, Executive and other relevant stakeholders obtain assurance that the Council and its services are managing and mitigating risks that could affect the achievement of the organisation's objectives.
2. Establishing appropriate risk reporting mechanisms and risk communications council-wide. Ensure a process is in place to allow for the submission of Strategic and Operational Risk Registers to CMT, City Mayor and Executive, Governance and Audit Committee and relevant stakeholders.
3. Ensuring the operations and initiatives that are high risk to the Council are reported and monitored through the appropriate channels and via the relevant director to aid informed decision making.
4. Attending Divisional Management Meetings periodically council-wide to provide a critical eye friend on Divisional Risk Register.
5. Providing learning opportunities to Council officers on the risk management process across the Council via a rolling training programme year on year with the option of bespoke training.
6. Keeping abreast of best practice throughout the industry and through the continual review and improvement of the council's risk management practices.
7. Good practice tools to support management of risks applied consistently throughout the council and reinforcing the importance of effective risk management as part of the everyday work of employees and members.
8. Ensuring accountabilities, roles and responsibilities for managing risk are clearly defined, communicated and understood by establishing clear processes, responsibilities and reporting lines for risk.
9. Anticipating and responding to changes in the external environment including changing political, economic, social, technological, environmental and legislative requirements.
10. Horizon scanning and considering emerging risks which should be on the radar (but where impacts are not fully known for such risks).
11. Demonstrating the following benefits of effective risk management:: -
  - Cohesive leadership and effective management controls;
  - Improved resource management – people, time, and assets;
  - Improved efficiency and effectiveness in service and project delivery;
  - Minimising the impact following an incident, damage limitation and cost containment;
  - Better protection of employees, residents and others from harm;
  - Reduction in incidents, accidents and losses leading to lower insurance premiums and improved reputation for the Council.
12. Recognise that it is not possible or expected to eliminate risk entirely, and so have a comprehensive business continuity and insurance programme that protects the Council from significant financial loss, reputational damage or even litigation therefore minimising the impact from an event.

**Alison Greenhill**  
Chief Operating Officer

**Sir Peter Soulsby**  
City Mayor

## Risk Management Strategy

### INTRODUCTION

1. This **Risk Management Strategy** provides a structured and coherent approach to identifying, assessing and managing risk. It builds in a process for regularly updating and reviewing risk assessments based on new developments or actions taken and allows communication and reporting of risks that may adversely impact the achievement of the Council's aims and objectives.
2. This strategy builds on, and replaces, the 2023 Risk Management Strategy. Through the continued development and implementation of the strategy, the maturity of the Council's risk management will be reflected in a more enabled and proactive culture of embracing innovative opportunities and managing risks. This strategy helps to embed a coherent risk management system throughout the organisation and ensures officers / staff understand their roles and responsibilities within the process and if followed by staff enables a more consistent risk management approach.

### AIMS AND OBJECTIVES

3. The aims and objectives of Leicester City Council's (LCC's) Risk Management Strategy are:-
  - To assist LCC in setting strategy, achieving objectives and making informed decisions;
  - To provide the Executive, Members and senior officers with regular risk management reports that give a comprehensive picture of the Council's risk profile and risk ranking exposure;
  - To provide and assist the Council and its partners to adopt a "fit for purpose" methodology towards identification, evaluation, control and communication of risks and to help ensure those risks are reduced to an acceptable level – the 'risk appetite';
  - To ensure that transparent and robust systems are in place to track and report upon existing and emerging risks which potentially could have a detrimental impact on the Council or influence decision making and affect the achievement of objectives;
  - To help further integrate risk management into the culture and day to day working of the Council and ensure a cross divisional/operational approach is applied;
  - To provide reliable information on which to base the annual strategic and operational risk and governance assurance statements;
  - To consider the limitations of available information in the process of identifying and assessing risk;
  - To encourage well measured risk taking where it leads to improving performance and sustainable improvements in service delivery;
  - To ensure a consistent approach in the identification, assessment and management of risk ('the risk management cycle) throughout the organisation; and
  - To acknowledge that even with good risk management and our best endeavours, things can go wrong and that we learn from this to prevent it happening again. Risk Management is continually improved through learning and experience.
4. Given the diversity of services offered by the Council, there are a wide range of potential risks that could arise. Therefore, it is essential that responsibility for identifying and taking action to address those risks is assigned and clear. Commitment and involvement of staff at every level is essential to effectively carry out enterprise risk management. Although different staff/managers will have specific duties to assist in this process, it is important that they are aware of and

understand their role. Staff involvement may consider views and comments from other divisional areas/teams who may have had experience of managing similar projects.

## ASSURANCE AND REPORTING STRUCTURE OF RISKS AT LCC

5. As part of the risk management and assurance process, our aim is to create a 'no surprises' approach where the commitment and appetite around risks management is set from the top down.
6. All staff and associated stakeholders have responsibility for managing risk, some more than others. Please see **Appendix 1** for full roles and responsibilities.



### Within this structure, each party has the following key roles:

- The Governance and **Audit Committee (G&AC)** is responsible for noting the effectiveness of the Council's risk management arrangements, challenging risk information and escalating issues to CMT and Executive via the Manager, Risk Management.
- **City Mayor and Executive** has a leadership and oversight role particularly in challenging CMT and senior managers in relation to the risks identified, mitigating actions and holding them to account to implement effective risk management. The City Mayor and Executive are also responsible for approving risk policies and strategy and receiving regular risk management reports to review;
- **The Corporate Management Team (CMT)** has the risk oversight role and ultimate management accountability. CMT must ensure the risk related control environment is effective; is responsible for approving and reviewing risk policies and strategies; setting the level of risk the Council is prepared to accept – it's '**risk appetite**'; receiving 4-monthly risk update reports to review and for approving as well as agreeing and promoting the training programme;
- **Risk, Emergency and Business Resilience (REBR)** develops and coordinates implementation of the Risk Management Strategy and provides a facilitators role, supporting and guiding service areas on how to complete operational risk assessments, whom they

should refer to and deliver corporate risk management and business continuity training. REBR also coordinate, populate and maintain the Council's strategic and operational risk registers, producing 4-monthly risk reports comprising of these risk registers to submit to CMT, City Mayor and Executive (SRR only) and the G&AC (bi-annually);

- **Departments and services** are the 'risk-takers' and are responsible for identifying, assessing, measuring, identifying risk actionee, monitoring, communicating risk as well as reporting on significant risks associated with their functions or activities and for managing risks within their departments;
- As part of the Council's **combined model, management, third parties (e.g insurers) and Internal Audit** give assurance on the management of risks and the operation/performance of controls.

See **Appendix 1** for further Roles and Responsibilities.

## RISK DEFINITION AND APPETITE

7. At LCC, we adopt the definition of risk taken from the **International Risk Management Standard 'ISO31000 – Risk Management Principles and Guidelines standard and BS65000 – Guidance on Organisational Resilience'**:

**“Risk is the effect of uncertainty on objectives”** and an effect could be a positive or negative deviation from what is expected. **ISO 31000** recognises that we operate in an uncertain world.

8. By identifying potential problems with an in-depth risk assessment, the Council can implement controls and treatments that maximise the chance of gain while minimising the chance of loss. It is assumed by many staff, during risk discussions, that all risks must be eliminated. This is not the case. Risk is a part of everyday life and taking risks and acting on opportunities may be a route to success, if managed properly, where the risk appetite is crucial to this process. **Risk Appetite** is defined as **'the amount and type of risk that the organisation is willing to pursue, retain or take (ISO73 – ISO2002)**. **Appendix 2** demonstrates the Council's risk appetite. **The Council is prepared to tolerate risks that fall below the risk appetite line (the prominent black line)**. For risks that are scored above the line, the relevant Council officers should consider their occurrence (repetitiveness) and impact, and design controls for implementation to minimise the chance of the risk materialising. This should be monitored periodically. An example of this would be total loss of a building by fire. This is a typical 'high impact' but 'low likelihood' risk that cannot realistically be managed day to day, beyond normal management responsibilities, but if it occurs, would be dealt with by the invocation of an effective Incident Response Plan and appropriate insurance cover which are both significant mitigants for that risk.
9. Risk appetite needs to be considered at all levels of the organisation – from strategic decision-makers to operational deliverers. The Council's risk appetite is the amount of risk that it is prepared to take in order to achieve its objectives. Defining the Council's risk appetite provides the strategic guidance necessary for decision-making and is determined by individual circumstances. In general terms, the Council's approach to providing services is to be innovative and to seek continuous improvement within a framework of robust corporate governance. This framework includes a risk management process that identifies and assesses risks appertaining to decisions being considered or proposed.
10. As such, risk appetite should be considered for every proposal and risk rather than an over-arching concept for the entire Council. There will be areas where a higher level of risk will be taken in supporting innovation in service delivery. Certain areas will maintain a lower than cautious appetite - for example, in matters of compliance with law and public confidence in the Council or safeguarding adults and children. Risk appetite can therefore be varied for specific risks, provided this is approved by appropriate officers and/or members. However, in all circumstances:
  - The Council should manage its financial affairs such that no action will be taken which would jeopardise its ability to continue as a going concern; and

- The Council is to secure the legal integrity of its actions always.

Despite this, at times the Council may be forced to take risks beyond its appetite to comply with central government directives or to satisfy public expectations of improved services. The challenge process will determine the decisions made - whether to proceed with such proposals and after careful assessment of the identified risks, and an analysis of the risks compared to the benefits – i.e. cost benefit analysis. A cost benefit analysis also helps decide the appropriate level of commitment to risk management resources. It is important to keep in mind that not all cost benefit is confined to financial measurement and the cost of not taking action should also be considered, for example, the reputational damage from not progressing on an initiative/project/service delivery proposal.

11. LCC's approach to risk is to be **risk aware** rather than **risk averse**, to manage and mitigate the identified risk. As set out in its Risk Management Policy Statement, it is acknowledged that risk is a feature of all business activity and is a particular attribute of the more creative of its strategic developments. Directors and members are not opposed to risk. They are committed to taking risks with full awareness of the potential implications and in the knowledge that a robust plan is to be implemented to manage/mitigate them. The Council's risk management process allows this **'positive risk taking'** to be evidenced.
12. **'Positive risk-taking'** is a process of weighing up the potential benefits and impacts of exercising a choice of action over another course of action. This entails identifying the potential risks and developing plans and controls that reflect the positive potentials and stated priorities of the Council. It then involves using available resources, capabilities and support to achieve desired outcomes, and to **minimise any potential 'harmful' impacts**. It is certainly not negligent ignorance of potential risks but, usually, a carefully thought-out strategy for managing a specific risk or set of circumstances.
13. The risk management process ensures that key strategic and operational risks are controlled, minimising the likelihood of an occurrence and its impact should the risk occur and also allows to consider further treatment options (see paragraph 14) and risk communications to take place. It is recognised that there are costs involved in being too risk-averse and avoiding risk, both in terms of bureaucracy and opportunity costs.
14. The Council seeks to identify, assess and respond to all strategic risks that may affect the achievement of key business objectives and plan outcomes. Once a risk has been identified and rated, the Council will adopt a risk response plan based on the nature of the risk. The Council's risk responses include treat, tolerate, terminate or transfer – **refer to paragraph 26** for the detail. Integrating risk transfer strategies requires decisions at the highest levels as the risk appetite will determine the extent to which it is prepared to retain the risk, as opposed to sharing risk by outsourcing or insurance. ISO31000 states the selection of risk treatment options involves balancing the potential benefits of introducing further risk treatment (controls) against the associated costs, effort or disadvantages. The treatment plan should identify the timescale and responsibilities for implementing the selected risk treatments.
15. Having an effective enterprise risk management framework does not mean that mistakes and losses will not occur. Effective risk management means that risks are highlighted, allowing appropriate action to be taken to minimise the risk of potential loss. The principle is simple, but this relies upon several individuals acting in unity, applying the same methodology to reach a sound conclusion and understand that risk management is a cross service planning activity. However, it is recognised that risk management and the analysis is based on judgement and is not infallible or an exact science, and for a more accurate analysis, the appropriate people should be involved who should consider and understand ALL the available information at the time relevant to that activity but be aware there may be limitations on that information. Incidents may still happen, but the Council will be in a better position to recover from these incidents with effective risk controls/business continuity management processes in place. LCC is a "learning organisation" and the Council will seek to learn from adverse risk events. An insurance programme is also in place to cover insurable risks. See below for further information (paragraph 16 and 17).



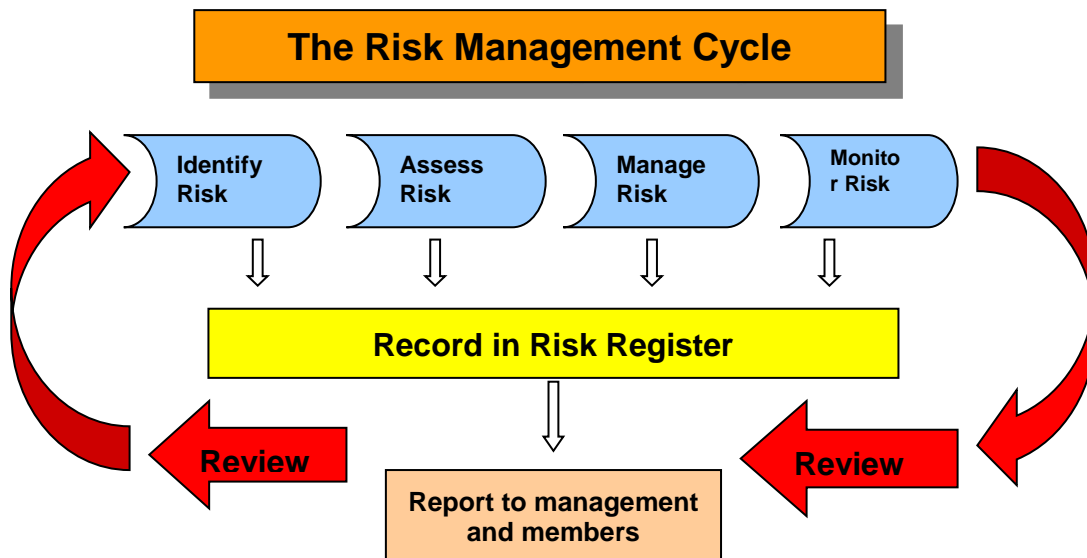
## RISK FINANCING

16. Risk Financing is the process which determines the optimal balance between retaining and transferring risk within an organisation. It also addresses the financial management of retained risk and may best be defined as money consumed in losses, funded either from internal resources or from the purchase of 'external' insurance (such as the catastrophe cover provided by the Council's external insurers). Simply put, it is how an organisation will pay for loss events in the most effective and least costly way possible. Risk financing involves the identification of risks, determining how to finance the risk, and monitoring the effectiveness of the financing technique chosen. Commercial insurance policies and self-insurance are options for risk transfer schemes though the effectiveness of each depends on the size of the organisation, the organisation's financial situation, the risks that the organisation faces, and the organisation's overall objectives. Risk financing seeks to choose the option that is the least costly, but that also ensures that the organisation has the financial resources available to continue its objectives after a loss event occurs. The Council's Insurance Services team currently takes cover with external insurers for the following categories of insurable risk:
- Casualty (Employers Liability and Public Liability)
  - Property inc. Terrorism
  - Motor
  - Fidelity Guarantee
  - Engineering
  - Professional Negligence
  - Official Indemnity
  - Personal Accident
  - Fine Arts
17. LCC's strategy for risk financing is to maintain an insurance fund and only externally insure for catastrophe cover. The Council's strategy is to review the balance between external/internal cover on an annual basis in the light of market conditions and claims experience. This balance will be influenced by the effectiveness of the risk management process embedded at the Council.

## RISK MANAGEMENT PROCESS

18. The Council's strategic and individual divisional operational objectives are the starting point for the management of risk. Managers should not think about risk in isolation but consider events that might affect the Council's achievement of its objectives. **Strategic risks** are linked to strategic objectives and operational risks linked to divisional service delivery objectives, therefore, risks that could result from day to day activities need, as a minimum, to be identified and monitored. This is best done by the effective implementation of the risk management process with the use of risk assessments/risk registers (**Appendix 3a for the reporting of service, divisional and strategic risks via a risk register – see paragraph 34 for detail**) which must be maintained and updated on a continuous basis and reviewed formally, every 4 months as per the reporting cycle at divisional and strategic level. However, at management level and below this will be more frequent. **An action plan should be in place to address the controls raised in the risk register/assessment. A formal action plan is compulsory for each strategic risk (See Appendix 4 for control plan template).**
19. Risk management is to be driven top down, bottom up and across, to ensure risks are appropriately considered. To achieve this, managers should encourage participation with their staff/peers in the process, through regular discussions/reviews. **The risk management process seeks to work with and support the business and not add a layer of bureaucracy or create masses of paperwork.**

20. The process below should be implemented by managers and staff at all levels to identify, assess, control, monitor and report risks. Risk management is intended to help managers and staff achieve their aims and objectives effectively and efficiently. It is not the intention to hinder or restrict them in delivering the objective in question nor becoming risk averse. The process ensures that a consistent risk management methodology is in place and implemented across all the diverse activities of the Council.
21. There are five key steps in the risk management process. These stages are covered in greater detail in the **Risk Management Toolkit** – a step-by-step guide to risk management at LCC - which is available to all members, managers and staff via the REBR pages on SharePoint.



*Please use Appendix 3 (risk assessment/register template to risk assess projects, activities and initiatives. Appendix 3a should be used for reporting of risks to divisional, operational and strategic level as the output from this will result in a risk register (see risk reporting- paragraph 32,33 and 34). The risk toolkit will guide you through this.*

22. The risk management process is explained in detail in the '**Identifying and Assessing Operational Risk**' training course, which is now mandatory for staff completing a risk assessment (see **Appendix 5** for the 2024 training schedule) and allows staff to: -
- **Identify risk**, and controls – Officers identify risks and consequences through brainstorming discussions as a group, or discussion with their staff, interviews, seek employee feedback, analyse customer complaints, internal/external audit reports, checklists, flowcharts, risk registers, risk assessment workshop write ups, scenario analysis and SWOT/PESTLE analysis. Controls should be considered and evidenced to manage each risk for the write up of the risk assessment;
  - **Assess/Analyse/Evaluate** - management assess the likelihood of risks occurring and the impact on the council/their service objectives using the Council's approved risk assessment form and the 5x5 scoring methodology. Once the risks are scored, this will determine whether the risks are high, medium or low which will help in the prioritisation of risks for urgent attention (see **Appendix 2**);
  - **Manage** - management determine the best way to manage their risks e.g. terminate, treat, transfer, tolerate or take the opportunity (see paragraph 26 below);
  - **Record risks** – using corporate risk assessment template to record risks (see **Appendix 3**); Use **Appendix 3** if you are risk assessing for a project/activity/initiative or **Appendix 3A** for reporting risks via the risk register tool;

- **Monitor** – management should monitor their risks and the effectiveness of their identified management controls; are controls implemented and need for further controls;
- **Review** - management ensure identified risks are regularly reviewed and if controls have been implemented, whether further controls are necessary or required. This will normally be managed by means of a risk register (see paragraphs 30 - 40 below for more detail).
- **Risk Reporting, communication and consultation:** Communication and consultation with external and internal stakeholders should take place during all stages of the risk management process using the risk register/assessment as a reporting tool.

REBR are available to support this process either by attending or facilitating risk ‘workshops’ or delivering risk identification and mitigation training to managers and their business teams.

## IDENTIFYING THE RISKS

23. In order to identify risks, we need to focus on the aims and objectives of the Council and of any project and activity that contributes to those. Risk is simply defined as **‘the effect of uncertainty on objectives’** – ISO31000 Risk Management Standard. As mentioned in paragraph 22, the training session covers in detail how to identify risks. Please refer to **Appendix 3** for the risk assessment template to log risks and its evaluation. **Appendix 6** indicates the different PESTLE categories of risk and **Appendix 6A** are further prompts which staff can utilise to identify risks that are internal/external facing. However, it is not an exhaustive list and officers are reminded that risks may not be present in all categories when they are completing their risk assessment. Other means of identifying risks include previously completed risk assessments, brainstorming exercises involving the relevant stakeholders, complaints received, claims, incident and accident reports. This is discussed in more detail in the training sessions. Also, staff may need to consider carrying out a dynamic risk assessment as and when required, for e.g. in the case of inclement weather, the original risk assessment may not have considered how to operate on a wet day as it was not anticipated.

**Controls need to be considered and evidenced in the risk assessment/template before the next step (as stated in paragraph 21, LCC assess risks with controls in place)**

## ASSESS / ANALYSE AND EVALUATE RISKS

24. The primary function of “scoring” risks is to facilitate their prioritisation and assessment against risk appetite. This step involves determining the likelihood of the risk occurring and its impact should it occur. Please see **Appendix 2** for further detail of the scoring mechanism and the definitions utilised at LCC to calculate the level of the risk: - **Impact x Likelihood = Risk score.**
25. This helps to prioritise the risks (risk ranking) which require urgent action using a red, amber, green scoring mechanism (RAG status). The table below indicates how risks that are high, medium and low should be managed.

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

**MANAGE THE RISKS**

26. Once risks and controls have been identified and assessed by management with controls in place **(a risk rating score has been derived)**, managers should then determine how those risks will be dealt with – a process commonly known as the four T’s. The risk rating score will also enable risks to be prioritised and influence the use of one or more of the four T’s –

- Terminate
- Treat
- Tolerate
- Transfer

**Please see below charts for possible actions after assessing and analysis of risks:**

**4 T’s**

<b>Impact</b>			
<b>High</b>		<b>Transfer</b> Transfer risk to another party, outsource, insurance	<b>Terminate</b> Stop the activity or do it differently using alternative systems
<b>Low</b>		<b>Tolerate</b> Bear losses out of normal operating costs following an informed decision to retain risk, monitor situation	<b>Treat</b> Implement procedures and controls to reduce the frequency or the severity; formulate a contingency plan to reduce service interruption
		<b>Low</b>	<b>High</b>
			<b>Likelihood</b>

Likelihood	Impact	4 T's	Actions to take
High	High	<b>Terminate</b>	Requires immediate action/avoid or consider alternative ways
High	Low	<b>Treat</b>	Consider steps to take to manage risks – reduce the likelihood and/or better manage the consequence
Low	High	<b>Transfer</b>	Contingency plan/Insurance cover to bear financial losses/transfer risk to third party/outsource
Low	Low	<b>Tolerate</b>	Informed decision to retain risk. Keep under review. Monitor and bear losses from normal operating costs as the cost of instituting a risk reduction or mitigation activity is not cost effective or the impact of the risks are so low so deemed acceptable

At times the council may be expected to take risks beyond its appetite in order to comply with central government directives and where LCC has statutory obligations to deliver services that pose high risk no matter what action is taken.

27. Taking the opportunity is an enhancement to this process. This option is not an alternative to the above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. **There are two considerations here:**
- Consider whether at the same time as mitigating a threat, an opportunity arises to exploit positive impact. For example, if a large sum of capital funding is to be put at risk in a major project, are the relevant controls good enough to justify increasing the sum at stake to gain even greater advantage?
  - Consider also, whether circumstances arise which, whilst not generating threats, offer positive opportunities. For example, a drop in the cost of goods or services frees up resource which may be able to be redeployed for projects that enhance the economy of Leicester.
28. **Secondary Risk** - It's important to note that it's common for efforts to reduce risk to have risks of their own. These are known as secondary risks. For example, if a project is outsourced/subcontracted a number of secondary risks will be assumed such as the risk that the outsourcing company/subcontractor will fail to deliver.

## RISK TREATMENT AND DECISION MAKING

29. Risk controls and treatment options (4Ts – paragraph 26) should be identified by those who are directly involved in the management of the activity or by experts who have detailed knowledge of the underlying risks and who have actively engaged in the risk identification and evaluation process. Risk control options should be evaluated as the wrong choice can be difficult to unwind.

## MONITORING AND REVIEWING THE RISKS

30. After evaluating the measures already in place to mitigate and control the risk(s), there may still be some remaining exposure to risk (residual risk). It is important to stress that such exposure is not necessarily detrimental to the Council and ensures that the Council is aware of its key business risks; what controls are in place to manage (mitigate) these risks; and what the potential impact of any residual risk exposure is. This step in the risk process never really ends as monitoring and review of your risk assessment to ensure it stays valid is an ongoing process. The ultimate aim of risk management/assessment is to implement measures to reduce the risks to an

acceptable level. Monitoring and review of circumstances must occur to see whether the measures implemented have reduced risks effectively and whether more should be done. To summarise, are the controls being implemented, are they effective and is the business requirement being met, has the risk changed, do further controls need to be considered, therefore, re-scoring of the risk, and do new risks need to be incorporated or any existing ones deleted.

31. It is important that those risks that have been identified as requiring action are subject to periodic review, to assess whether the risk of an event or occurrence still remains acceptable and if further controls are needed. Any further action(s) should be determined, noted and implemented. The frequency of reviews should be decided by management, depending on the type and value of the risks identified (see also 32 below). Currently, at LCC, the significant strategic and operational risks are reviewed and reported on a 4 monthly basis to CMT and bi-annually to the G&AC, with strategic risks reported 4 monthly to the City Mayor and Executive, facilitated by the Manager, Risk Management. Below, is a table indicating a **suggested review** of risks dependent on the risk rating whether, high, medium or low.

**Recommended risk review frequencies as per risk rating:**

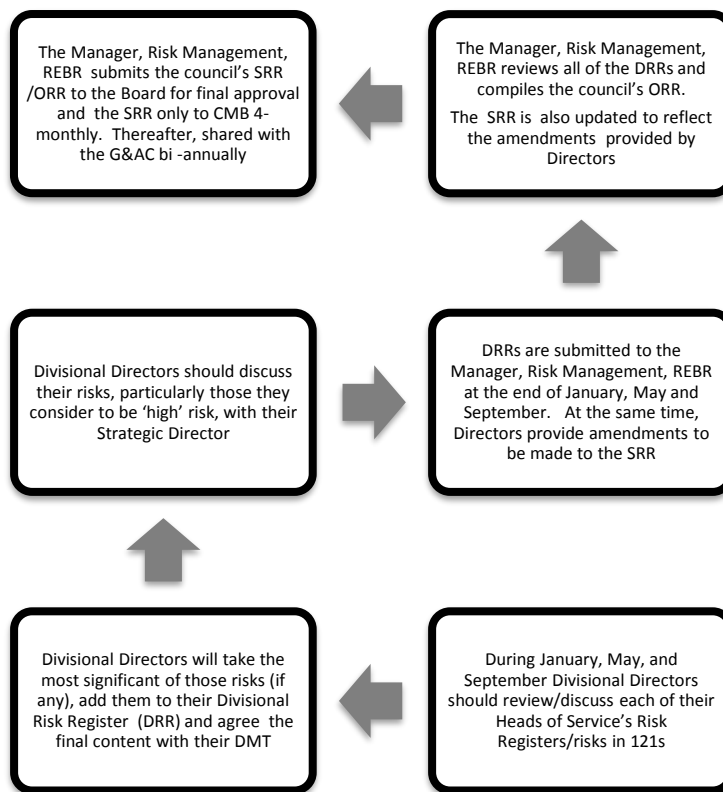
Risk Rating	Risk Review Frequency
Red risks	1 – 3 months
Amber risks	3 months
Green risks	6 months

**RISK REPORTING**

32. Significant operational risks (scoring 15 and above) should continue to be logged and monitored via the Operational Risk Register (ORR). It is the responsibility of each divisional director to ensure that operational risks are recorded and monitored via a risk register. These registers and the risks identified are aligned to the Council’s operating structure. REBR has produced a pro-forma risk assessment/register that **must** be used by all business areas (see **Appendix 3/3A**). Every divisional director is required to use the newly updated Risk Register highlighting which strategic risk the identified divisional risk has an impact on and the PESTLE category it falls under where possible.
33. The most significant risks (those scored 15 and above) identified by the divisional directors feed into the council’s ORR which is managed by CMT and facilitated by the Manager, Risk Management, REBR. CMT is accountable for ensuring that all operational risks are identified against service delivery objectives; that plans are implemented to control these exposures; key risks are included within the individual service plan and that monitoring and communication of risks takes place.
34. **Reporting of Divisional, Operational and Strategic Risks (use Appendix 3a to log risks)**- The Chief Operating Officer supported by CMT manages and monitors the Strategic Risk Register (SRR) for those risks that may affect the achievement of the council’s strategic objectives, with REBR facilitating. Individual risk owners for the SRR will be Strategic Directors and/or those with statutory roles such as the Monitoring Officer and Section 151 officer (specific actions relating to the risk are likely to be owned and delivered by other Directors and Senior Officers). This ensures there is robust strategic ownership and oversight of the most significant risks facing the organisation. The intention is to use the **PESTLE** analysis as a framework for considering the wider context and environment and the risks that this gives rise to. PESTLE is a mnemonic that stands for ‘**Political, Economic, Social, Technological, Legal and Environmental**’ and these themes are built into the approach of when reviewing strategic risks (**Appendix 7** provides a

definition of PESTLE). Risk control action plans (**Appendix 4**) are also required for such risks and to be implemented to manage these exposures. The most significant of these risks, those that may threaten the Council's overall strategic aims, form this register which is reviewed and updated by directors every four months. As part of the overall process of escalation, each strategic director should also have risk on their 121 agenda with their divisional directors at least quarterly and with lead Executive members. One of the significant strategic risks is a serious failing of the management of operational risks by divisional directors.

35. REBR facilitates and supports this process and will continue to maintain the SRR/ORR, using the input from each Divisional Risk Register and the updates provided by the strategic director for the SRR. The SRR/ORR will be reported 4-monthly to CMT, and bi-annually to the G&AC. In addition, the SRR is also reported to the City Mayor / Executive 4-monthly. As part of this process, bespoke training needs may be identified and the REBR team will provide training and support upon request.
36. The process for reviewing and reporting operational and strategic risks at LCC is set out as below:



**Key:**

- DRR** – Divisional Risk Registers – compiled using most significant operational risks from Heads of Service risk registers.
- ORR** – Operational Risk Registers – produced by REBR using the significant risks from the DRRs submitted by Divisional Directors
- SRR** – Strategic Risk Registers – compiled by REBR using significant risks submitted by Directors and are those risks that may affect achievement of the council's strategic aims.

37. All risks identified, both operational and strategic, will need to be tracked and monitored by regular reviews of the risk registers at 121's with management. This will ensure that any changes in risks

requiring action are identified; there is an effective audit trail; and the necessary information for ongoing monitoring and reporting exists.

38. Those officers completing risk assessments / registers should use this document as a reporting tool to their line manager in order to aid decision making. The frequency of this reporting should be as and when changes are made to the risk assessment / register particularly where they are significant. However, this is not to become a bureaucratic process and to put it into perspective, the DRR's are revised for 4-monthly reporting to CMT and Executive.
39. **Document Retention** - It is recommended to save a new copy of the updated risk register rather than overwriting the existing one so that an audit trail of reviews can be evidenced.
40. To improve the process of risk management, it is worth Divisional Directors noting any emerging risks on the Divisional Register on a separate worksheet. These emerging risks may not be a risk currently but may be so in the future. This is good risk management practice.

## **PARTNERSHIP RISK**

41. It is recognised that partnership working is a key area where associated risk needs to be identified and controlled. Best practice states that local authorities must meet two key responsibilities for each partnership they have. They must: -
  - Provide assurance that the risks associated with working in partnership with another organisation have been identified and prioritised and are appropriately managed (partnership risks);
  - Ensure that the individual partnership members have effective risk management procedures in place (individual partner risks).

## **RISK MANAGEMENT TRAINING**

42. An annual programme of training (covering risk and business continuity planning) is available to all staff, managers and members. However, directors and managers should identify staff who require this training through the staff appraisal process (existing staff) and through the jobs specification process (new staff) and appropriate training will be provided by REBR. CMT have made the 'Identifying and Assessing Operational Risk' training mandatory for staff who have to carry out a risk assessment. (See **Appendix 5** for the 2024 training schedule).

## **INSURANCE LIMITS AND PROCURING OF SERVICES / GOODS (RISK TRANSFER)**

43. Guidance is available on SharePoint on what to consider when determining insurance levels if procuring for services by a contractor or third party. The insurance limits requested are based on the risks the activity will impose and the impacts (risk based rather than blanket limits). The consequences, impact and cost of risk columns of the risk assessment template will help to determine the insurance levels required. The insurances requested are usually Public Liability, Employers Liability and Professional Indemnity (though the latter is not always a pre-requisite).

## **REVIEW OF RISK MANAGEMENT POLICY AND STRATEGY**

44. This Risk Management Policy Statement and Strategy is intended to assist in the development/integration of risk management from now until December 2024 when the next review is due of this policy and strategy.
45. All such documents and processes will remain subject to periodic review and with the next planned review to occur in Quarter 4 2024, this allows any changes in process to be aligned to the council's financial year end.



## **RISK MANAGEMENT AT LEICESTER CITY COUNCIL**

46. A robust risk management process should be applied to all our activities during the next 12 months and beyond. To achieve this, priority exposures should be identified, addressed, and incorporated into appropriate risk management strategies and risk improvements into organisation's service delivery. A robust risk process will allow identification of emerging risks and horizon scanning. This should be in line with the Council's priorities. This helps to determine how risks affect such priorities, whether to consider changes in Council operations and to enable us to make well-informed decisions. Risk must be considered as an integral part of divisional planning, performance management, financial planning and strategic policy-making processes. The cultural perception of risk management must continue changing from a 'have-to-do' to a 'need-to-do'. However, this does not need to become a bureaucratic and paper intensive exercise and judgment by the appropriate person should be exercised.
47. The Manager, Risk Management, REBR will continue to maintain a central copy of the SRR/ORR as well as the DRR's. Internal Audit will continue to utilise these registers to assist them in developing the audit plan and producing a programme of audits, which will test how well risk is managed within specific areas of the business – subject to resource being available. The Council's Risk Strategy and Policy will help directors to report appropriately upon their risk and their risk registers, together with other information gathered by Internal Audit through consultations, will be used to formulate the audit work programme which, in turn, allows assurance to be given to both the CMT (officers) and the Governance and Audit Committee (members) that risk is being properly identified and managed at LCC.
48. Consideration should be given as to whether the management of risk should be included in job descriptions for all operational service area managers with responsibility and accountability for risks and be included in every director/manager's objectives and performance appraisal discussion.
49. Directors and managers should also ensure that all stakeholders (employees, volunteers, contractors and partners) are aware of their responsibilities for risk management and of the lines of escalation for risk related issues. Operational performance linked to risks helps to achieve objectives more effectively and efficiently.

## **CONCLUSION**

50. A certain amount of risk is inevitable to achieve objectives, improve performance and take opportunities, hence the existence of this Policy and Strategy to help the organisation manage those risks and deliver high quality public services and better value for money. The aim of risk management is to 'embrace risk' and acknowledge opportunities can arise from taking risks and not to miss those opportunities.

## Appendix 1 - LEADERSHIP, ROLES AND RESPONSIBILITIES

All Councillors	<ul style="list-style-type: none"> <li>To consider and challenge risk management implications as part of their decision-making and scrutiny processes.</li> </ul>
City Mayor/ Executive	<ul style="list-style-type: none"> <li>Agree the Council's Risk Management Strategy and Policy Statement annually.</li> <li>Consider risk management implications when making decisions and determine the risk appetite for the Council.</li> <li>Agree the Council's actions in managing its significant risks.</li> <li>Receive regular reports on risk management activities and a four-monthly review of the strategic risk register.</li> <li>Approve an annual statement on the effectiveness of the Council's risk controls as part of the statement of accounts.</li> <li>Consider the effectiveness of the implementation of the risk management strategy and policy.</li> </ul>
Governance and Audit Committee	<ul style="list-style-type: none"> <li>Receive and note the Council's Risk Management Strategy and Policy Statement annually.</li> <li>Receive and note the Strategic and Operational Risk Registers update reports.</li> <li>Challenge risk information and escalate issues for consideration</li> </ul>
Strategic Directors	<ul style="list-style-type: none"> <li>Responsibility for leading and managing the identification of significant strategic risks.</li> <li>Ensure that there is a robust framework in place to identify, monitor and manage the council's strategic risks and opportunities.</li> <li>Ensuring that the measures to mitigate these risks are identified, managed and completed within agreed, timescales, ensuring that they bring about a successful outcome.</li> <li>Lead in promoting a risk management culture within the Council and with partners and stakeholders.</li> <li>Approve and maintain the requirements for all CMT reports, business cases and major projects to include a risk assessment (where appropriate).</li> <li>Ensure risk is considered as an integral part of service planning; performance management; financial planning; and, the strategic policy-making process.</li> <li>Consider risk management implications when making Strategic decisions.</li> <li>Management and four monthly review of the strategic risk register. Review and progress actions and capture emerging risks.</li> <li>Recommend the level of risk appetite for all strategic risks to Executive.</li> <li>Note, through four monthly review, the operational risk register. Ensure that the measures to mitigate these operational risks are identified, managed and completed within agreed timescales, ensuring that they bring about a successful outcome.</li> <li>Ensure that appropriate advice and training is available for all councillors and staff.</li> <li>Ensure that resources needed to deliver effective risk management are in place.</li> </ul>
Corporate Management Team (CMT)	<ul style="list-style-type: none"> <li>Responsibility for leading and managing the identification of significant operational risks from all operational areas.</li> <li>Ensuring that the measures to mitigate these risks are identified, managed and completed within agreed timescales, ensuring that they bring about a successful outcome.</li> <li>Lead in promoting a risk management culture within the Council and within their departments.</li> <li>Approve and endorse the Risk Management Strategy and Policy</li> <li>Approve regular Risk Registers Report and understand status</li> </ul>

	<ul style="list-style-type: none"> <li>• To respond appropriately and in a timely manner to exceptions in reports to ensure accountability and risk management processes aren't compromised.</li> </ul>
Divisional Directors	<ul style="list-style-type: none"> <li>• Submit Divisional Operational Risk Register (DORR) showing significant Divisional operational risks to Risk Management for consideration of inclusion in the Council's Operational Risk Register.</li> <li>• Escalating risks/issues to the relevant Strategic Directors, where appropriate.</li> <li>• Ensure there is a clear process for risks being managed by their Heads of Service (and where appropriate, their managers and/or supervisors) to be reviewed, at least quarterly, allowing their DORR to be seen as complete.</li> <li>• Embeddedness of risk management within the service areas they are responsible for and promoting a risk management culture.</li> <li>• Ensure compliance with corporate risk management standards.</li> <li>• Ensure that all stakeholders (employees, volunteers, contractors and partners) are made aware of their responsibilities for risk management and are aware of the lines of escalation of risk related issues.</li> <li>• Identify and nominate appropriate staff for risk management training.</li> </ul>
Manager, Risk Management	<ul style="list-style-type: none"> <li>• To develop and coordinate the implementation of the Risk Management and Business Continuity Policy and Strategy.</li> <li>• Provide facilitation, training and support to promote an embedded, proactive risk management culture throughout the Council.</li> <li>• Assist the Strategic and Divisional directors in identifying, mitigating and controlling the council's risks.</li> <li>• Coordinate, populate and maintain the strategic and operational risk registers of the council's most significant risks which are submitted to CMT and Governance and Audit Committee four monthly .</li> <li>• Review risks identified in reports to Strategic Directors and the Executive.</li> <li>• Ensure that risk management records and procedures are properly maintained, decisions are recorded, and an audit trail exists.</li> <li>• Ensure an annual programme of risk management training and awareness is established and maintained to promote good risk management.</li> <li>• To horizon scan and assess emerging risks and key risks facing the Council.</li> <li>• Advise management of key risk issues</li> <li>• Review External and Internal Audit recommendations to ensure these are picked up and dealt with by the business.</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• Have knowledge of Risk Management Policy and Strategy.</li> <li>• Support the risk management process.</li> <li>• Focus internal audit work on significant risks – risk-based auditing.</li> <li>• Provide the Risk team / Divisions / Departments with updates on risks identified from audits where necessary.</li> </ul>
All Employees	<ul style="list-style-type: none"> <li>• To have an understanding of risk and their role in managing risks in their daily activities, including the identification and reporting of risks and opportunities.</li> <li>• Support and undertake risk management activities as required.</li> <li>• Attend relevant training courses focussing on risk and risk management.</li> </ul>
Stakeholders	<ul style="list-style-type: none"> <li>• Directors and managers should also ensure that all stakeholders (employees, volunteers, contractors and partners) are made aware of their responsibilities for risk management and are aware of the lines of escalation for risk related issues. Risk management is most successful when it is explicitly linked to operational performance</li> </ul>

## Appendix 2 – RISK APPETITE AND RISK SCORING MATRIX

### Key to Table:

The numbers in the boxes indicate the overall **risk score**, simply put:

**'Impact score' x (multiplied) by the 'Likelihood score'.**

The score is then colour coded to reflect a 'RAG' (red, amber or green) status. The solid black line indicates what Directors consider is the council's **'risk appetite'** (see paragraphs 4-12 above) where they are comfortable with risks that sit below and to the left of that line.

LIKELIHOOD (A)	Almost Certain 5	5	10	15	20	25
	Probable/ Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely/ Rare 1	1	2	3	4	5
		Insignificant/ Negligible 1	Minor 2	Moderate 3	Major 4	Critical/ Catastrophic 5
IMPACT (B)						

Level of Risk	Overall Rating	How the Risk should be Managed
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

Likelihood	Impact	Actions to take
High	High	<b>Terminate</b> - needs immediate action
High	Low	<b>Treat</b> - consider steps to take to manage risks
Low	High	<b>Transfer</b> - contingency plan/Insurance cover
Low	Low	<b>Tolerate</b> - keep under review

IMPACT GRID									
Benchmark Effects									
	Impact	Score	Impact on Corporate or Service Objectives	Service Impact	Financial	Reputational	Duty of Care	People	Governance
Criteria	<b>CRITICAL / CATASTROPHIC</b>	5	- Strategic Objectives not met	- Inability to function effectively, council-wide	- Financial Losses in excess of £5m - Budgetary intervention at national level.	- Extensive adverse media interest resulting in front page news story in national press/social media	- Multiple deaths of employees of those in the council's care	- Could lead to resignation of Chief Operating Officer and/or City Mayor - Recruitment and retention difficulties which have resulted in the inability to deliver essential services.	- Serious breach of legal or contractual obligation resulting in National impact with rapid intervention of legislative or regulatory bodies. Service delivery taken over by Central Government. - Corporate manslaughter charges
	<b>MAJOR</b>	4	- Noticeable/significant impact on achieving strategic/divisional (directorate) objectives	- Major disruption to council's critical services for more than 48hrs (e.g. major ICT failure) causing widespread medium to long term impact on operational efficiency, performance and reputation.	- Financial loss £1m - £5m - Budgetary issues that can only be resolved by Section 151 Officer / Chief Executive / Members.	- Adverse coverage in national press/front page news locally and or social media.	- Suspicious death in council's care	- Could lead to resignation of Strategic Director and/ or Executive Member - Recruitment and retention difficulties which are impacting on the ability to deliver services.	- Breach of legal or contractual obligation attracting medium-term attention of legislative or regulatory bodies. - Major civil litigation and/or national public enquiry
	<b>MODERATE</b>	3	- Moderate impact on achieving service objectives	- Disruption to one critical council service for more than 48hrs	- Financial loss between £100k - £1m - Budgetary issues that can be resolved at Directorate level	- Adverse coverage in local press - Significant complaints, sustained media coverage.	- Serious Injury to employees or those in the council's care where hospital treatment is required	- Could lead to resignation of Divisional Director/ Project Director - Recruitment and retention difficulties which are impacting more than one occupational group / numbers are widespread across the service.	- Attracting short term media attention and potential for litigation/ prosecution from legislative or regulatory bodies. - Major civil litigation and/or local public enquiry
	<b>MINOR</b>	2	- Minor impact on achieving section objectives	- Manageable disruption to internal services - Noticeable internal impact, but service delivery would remain on course to achieve priorities	- Financial loss £50k-£100k - Budgetary issues that can be resolved within Management Team.	- Isolated/one off reports/complaints local media resulting in localised minor reputational damage	- Minor Injury to employees or those in the Council's care where medical treatment is required	- Disciplinary action against employee - Recruitment & retention difficulties being experienced in pockets across the service.	- Minor civil litigation with some local media attention
	<b>INSIGNIFICANT / NEGLIGIBLE</b>	1	- Minimal Impact/no service disruption - Objectives broadly achieved	- Day to day operational problems.	- Financial loss under £50k - Budgetary issues that can be resolved within Service.	- No interest to the media, internal only	- No obvious harm/injury. - Near miss having the potential to cause harm	- Unplanned departure of staff.	- Internal enquiry only which has little external impact and is being dealt within

LIKELIHOOD GRID Benchmark Effects				
	Likelihood	Score	Expected Frequency Description	Probability of Occurrence
Criteria	ALMOST CERTAIN	5	Reasonable to expect that the event <b>WILL</b> undoubtedly happen/recur, possibly frequently and is probable in the current year. The event is expected to occur	Over <b>90%</b> chance of event occurring
	PROBABLE / LIKELY	4	Event is <b>MORE THAN LIKELY</b> to occur. Will probably happen/recur, but it is not a persisting issue. Will possibly happen in the current year and be likely in the longer term. There is a significant chance of event occurring.	<b>61%-89%</b> chance of event occurring
	POSSIBLE	3	<b>FAIR LIKELIHOOD</b> of event occurring. Not likely in the current year, but reasonably likely in the medium/long term. Realistic chance of event occurring	<b>21%- 60%</b> chance of event occurring
	UNLIKELY	2	Event <b>NOT EXPECTED</b> . Do not expect it to happen/recur. Unlikely to happen in the current year, but possible in the longer term. Could occur in certain circumstances (unlikely chance)	<b>6% - 20%</b> chance of event occurring
	VERY UNLIKELY / RARE	1	<b>EXCEPTIONAL</b> event. This will probably never happen/recur. A barely feasible event. This will occur in rare circumstances.	<b>5% or less</b> chance of event occurring

Appendix 3 – RISK ASSESSMENT / REGISTER TEMPLATE

Risk Assessment/Register												
Completed by: Date completed: xx/xx/23												
Business Objective	Risk What is the problem/hazard? <i>What is it that will prevent you from meeting your objectives?</i>	Consequence /effect: <i>what would actually happen as a result? How much of a problem would it be? To whom and why?</i>	Existing actions/controls  <i>What are you doing to manage this now?</i>	Risk Score with existing measures  (See Scoring Table) (I x L)			Response Strategy / Action	Further management actions/controls required.  <i>What would you like to do in addition to your existing controls?</i>	Target Score with further management actions/controls required  (See Scoring Table)	Cost (of Impact; of current controls; of further controls)	Risk Owner ( <i>Officer responsible for managing risk and controls</i> )	Risk Review Date
				Impact	Likelihood	Risk Rating						
<b>What is your objective upon which the risk could have an effect? What is it you need to achieve?</b>	What is the actual risk to your objective? This should be a statement that provides a brief, unambiguous and workable description that enables the risk to be clearly understood, analysed and controlled.	If the risk happens what will <u>actually</u> be the impact? What will go wrong/	What have you already got in place to either reduce the likelihood of this risk occurring, or to reduce the impact on your area/budget if it does happen? These will be factors that are exerting material influence over the risk's likelihood and impact.	Score as per the scoring guide for both impact and likelihood and multiply the two together to get the overall risk score. These scores should <u>take into account</u> the existing controls			Select from the 4 T's Tolerate, Treat, Transfer, Terminate	What further action do you feel necessary? Enter here regardless of whether you have the resource to makes these happen.	Score as per scoring guide for both impact and likelihood <u>taking into account</u> the proposed new controls. Multiply the two together to get the overall risk score.	What will it cost you/the council if this happens? Include also how much the current controls are costing you as well as the cost of future controls	Who is the owner of this risk on a <u>day to day</u> basis? This may not be the owner of the risk register.	When will the future controls be in place or when will the risk be reviewed?

**Appendix 3A – RISK REGISTER TEMPLATE (FOR USE WITH SRR AND RISK REPORTING)**

Risk Assessment/Register																
Completed by : Date completed: xx/xx/2023																
Business Objective	Which category does the risk fall into using PESTLE?  P - Political E - Economic S - Socio-cultural T - Technological L - Legal E - Environmental	Which Strategic Risk does the risk link to?	Risk What is the problem/hazard?  What is it that will prevent you from meeting your objectives?	Consequence /effect: what would <u>actually happen</u> as a result?  How much of a problem would it be? To whom and why?	Existing actions/controls  What are you doing to manage this now?	Risk Score with existing measures  (See Scoring Table)			Response Strategy / Action  What action / response strategy is most appropriate for the risk identified?	Further management actions/controls required.  What would you like to do in addition to your existing controls?	Target Score with further management actions/ controls required  (See Scoring Table)			Cost (of Impact; of current controls; of further controls)	Risk Responder (Officer responsible for managing risk and controls)	Risk Review Date
						Impact	Likelihood	Risk Rating (xL)			Impact	Likelihood	Risk Rating (xL)			
What is it you need to achieve? Think about what your objective is/what you have to deliver.	Establish theme / category (above) risk comes under. See Process tab for PESTLE definition	Where relevant, refer to the SRR to establish which strategic risk is impacted by risk identified (above link provides access to current SRR on SharePoint ). Log strategic risk ref no.	What is the actual risk to your objective? This should be a statement that provides a brief, unambiguous and workable description that enables the risk to be clearly understood, analysed and controlled.	If the risk happens, what will <u>actually be</u> the impact? What will go wrong?	What have you already got in place to either reduce the likelihood of this risk occurring, or to reduce the impact on your area/budget if it does happen? These will be factors that are exerting material influence over the risk's likelihood and impact.	Score as per the scoring guide for both impact and likelihood. Multiply the two together to get the overall risk score. These scores should <u>take into account</u> the existing controls.			Select from the 4T's  Tolerate, Treat, Transfer, Terminate	What further action do you feel necessary? Enter here, regardless of whether you have the resource to make these happen.	Score, as per the scoring guide, for both impact and likelihood <u>taking into account</u> the proposed new controls. Multiply the two together to get the overall risk score.	Impact cost - what will it cost you/the Council if this happens? Controls Cost - how much are the current controls costing you and how much will the future controls cost you?	Who is owner of this risk on a <u>day to day</u> basis. This may not be the owner of the risk register nor the person who identified the risk.	When will the future controls be in place or when will this risk be reviewed		



**IDENTIFIED RISK/RISK ACTION PLAN – SRR**

**SECTION A – Risk description and existing controls**

<b>Risk description</b>	
<b>Risk theme</b>	
<b>Risk reference</b>	SRR
<b>Risk owner (name and role)</b>	
<b>Current risk score</b>	
<b>Response strategy/action</b>	
<b>Target risk score</b>	
<b>Risk review date</b>	

**Potential Impact/Likelihood**

Provide a brief summary of the risk that you have identified in this section and the likely impact on the organisation's objectives if the risk occurs

--

Provide a brief explanation of impact of this risk and the why the likelihood is scored as it is (will help with root cause and possible controls)

--

**Existing action/controls already in place**

Describe the specific actions and controls that are already in place now to manage the risk

--

**Current risk score with existing measures**

Impact	Likelihood	Risk rating (I X L)

**Response strategy:** Treat

**Further management action/controls:**

List the further action(s) that will be taken in addition to existing controls to manage the risk. Complete the action plan in section B:

1. XX
2. XX
3. XX

**Target risk score with further management actions/controls**

Impact	Likelihood	Risk rating (I X L)

**SECTION B – Risk action plan**

<b>Action No</b>	<b>Control / Action</b>	<b>Action owner</b>	<b>Target date for implementation</b>	<b>Resources/costs required to implement</b>	<b>Progress update - date action completed / pending (if so why)</b>	<b>Success criteria</b>

## Appendix 5 – 2024 TRAINING SCHEDULE

### [Risk, Emergency & Business Resilience Training Programme 2024](#)

Below are details of the Risk, Emergency, and Business Resilience (REBR) Training Programme for 2024. If you wish to attend these sessions, please book via the ESS system, under training on the left-hand side of the landing page, enter **risk** on the keywords and press search. Prior to booking, please discuss with and seek your manager's approval. Most of the sessions are limited to between 15 and 20 attendees, so bookings will be on a 'first come, first served' basis.

All the sessions will take place virtually on MS Teams and will start promptly at 10.00 am. Sessions tend to run for no more than two and a half hours and should finish by 12.45 pm.

#### [Identifying and Assessing Operational Risks Training](#)

Wed 24 January  
Thu 15 February  
Tue 05 March  
Wed 20 March  
Thu 18 April  
Tue 07 May  
Wed 22 May  
Thu 06 June  
Tue 25 June  
Wed 10 July  
Thu 19 September  
Tue 29 October  
Wed 27 November

(Training delivered by Sonal Devani and Nusrat Idrus)

***Since October 2014 this session has been mandatory for all staff who complete an operational risk assessment or risk register. Anyone completing a risk assessment who has not been on this training recently may be exposing the Council to a potential uninsured loss. If in doubt – ask!***

This course covers the process of Operational Risk Identification and Assessment and will touch upon identification of mitigating controls. The session includes an outline of the council's Risk Management Strategy and Policy and the role you play in implementing the strategy and policy. The session is for anyone who manages operational risk (manage staff; manage buildings; manage contact with service users or the general public) in their day-to-day role – all tiers of staff from Directors down – and those that let council contracts. The course will lead you through the agreed risk reporting process at Leicester City Council and allow you to identify your role within that process. The practical exercise should help staff complete the council's risk assessment form.

#### [Business Continuity Management Training](#)

Tue 16 January  
Wed 07 Feb  
Thu 14 March  
Tue 14 May  
Wed 19 June  
Thu 12 September  
Tue 08 October  
Wed 13 November

(Training delivered by Sonal Devani and Nusrat Idrus)

This course provides an understanding of Business Continuity Management within the organisation. It explains the difference between managing business continuity and merely writing your plan. This understanding will allow you to manage unexpected incidents and get back to the delivery of your business-as-usual service in the event of an unforeseen circumstance. This session is aimed at anyone who has responsibility for a building, staff; and delivery of a service, therefore, needs to have a business continuity plan or would be part of a recovery team needed to restore an affected service after an incident. The session also outlines the council's Business Continuity Strategy and Policy and will explain how that might affect you and your work. A step-by-step guide is provided for completing the council's BCP pro forma. This session should be attended by all Heads of Service and their senior management to ensure that, in the event of a serious, unexpected incident, they understand the processes that will help to ensure the council can continue to operate with minimal impact.

### **Evacuation Centre Staff Volunteer Training (10.00– 13.00)**

**Tue 13 February**  
**Wed 17 April**  
**Tue 11 June**  
**Thu 26 September**  
**Thu 21 November**

**(Training delivered by Martin Halse, and Neil Hamilton-Brown)**

The half-day training session gives you an understanding of how an Evacuation Centre is set up and the roles and responsibilities of staff and various organisations. **'What happens to people when there is a fire or flood in the city?'** Frequently, the council is the first port of call for those caught up in the incident. One of the essential ways the council can help during an emergency is to open an emergency centre to assist those affected, such as what happened during the recent major incident at the Hinckley Road explosion.

### **Personal/Bespoke Sessions**

We accept that, due to staff constraints and timing of leave, it may not be possible for all of your staff with a need to attend these training courses to attend one of the dates above. We continue to offer all of our training to specific groups of staff at times and locations to suit you. All of our training can be condensed to fit whatever time you have available. We can also focus on your own service area's needs and objectives when delivering this training to a bespoke group of staff. Please be aware that we are a small team, and it may be that such a session may take weeks rather than days to be arranged.

**If you would like to discuss a bespoke session, please contact:**

**For Risk and Business Continuity:**

Sonal Devani: ([sonal.devani@leicester.gov.uk](mailto:sonal.devani@leicester.gov.uk)) / 454 (37) 1635

Nusrat Idrus ([nusrat.idrus@leicester.gov.uk](mailto:nusrat.idrus@leicester.gov.uk)) / 454 (37) 1623

**For Emergency Management:**

Neil Hamilton-Brown ([neil.hamilton-brown@leicester.gov.uk](mailto:neil.hamilton-brown@leicester.gov.uk)) / 454 (37) 1341

We would like to assist you in any way we can and are happy to meet you to assist you in identifying the training needs of your staff, whilst at the same time protecting the council's most valuable asset – you and your staff.

Sonal Devani  
Manager, Risk Management  
Risk, Emergency & Business Resilience

## Appendix 6 – CATEGORIES OF RISK

Sources of risk	Risk examples
<b>External</b>	
<b>Infrastructure</b>	Functioning of transport, communications and infrastructure. Impact of storms, floods, pollution.
<b>Political, Legislative and Regulatory</b>	Effects of the change in Central Government policies, UK or EU legislation, local and National changes in manifestos. Exposure to regulators (auditors/inspectors). Regulations – change and compliance.
<b>Social Factors and Public Health</b>	Effects of changes in demographic profiles (age, race, social makeup etc.) affecting delivery of objectives. Crime statistics and trends. Numbers of children/vulnerable adults 'at risk'. Key Public Health issues.
<b>Leadership</b>	Reputation, authority, democratic changes, trust and branding. Intellectual capital. Culture. Board composition.
<b>Policy and Strategy</b>	Clarity of policies, communication. Policy Planning and monitoring and managing performance.
<b>Technological</b>	Capacity to deal with (ICT) changes and innovation, product reliability, developments, systems integration etc. Current or proposed technology partners.
<b>Competition and Markets</b>	Cost and quality affecting delivery of service or ability to deliver value for money. Competition for service users. Success or failure in securing funding.
<b>Stakeholder related factors</b>	Satisfaction of LCC taxpayers, Central Government, GOEM and other stakeholders. Customer/service user demand.
<b>Environmental</b>	Environmental impact from council, stakeholder activities (e.g. pollution – air and water, energy efficiency, recycling, emissions, contaminated land etc.). Traffic problems and congestion. Impact of activity on climate and climate change.
<b>Operational (Internal influences)</b>	
<b>Finance &amp; Budgets</b>	Associated with accounting and reporting, internal financial delegation and control, e.g. schools finance, managing revenue and capital resources, neighbourhood renewal funding taxation and pensions. Liquidity and cashflow. Interest rates. Credit lines and availability. Accounting controls.
<b>Human Resources, Capability and Capacity</b>	Recruiting and retaining appropriate staff and applying and developing skills in accordance with corporate objectives, employment policies, health and safety.
<b>Supply Chain - Contracts and Partnership</b>	Supply Chain management. Contracts. Failure of contractors to deliver services or products to the agreed cost and specification. Procurement, contract and life cycle management, legacy. Partnership arrangements, roles and responsibilities.
<b>Tangible Assets and Equipment</b>	Safety and maintenance of buildings and physical assets i.e. properties; plant and equipment; ICT equipment and control. Public access.
<b>Environmental</b>	Pollution, noise, licensing, energy efficiency of day-to-day activities. Natural events, often weather related.
<b>Project, Processes and Procedures</b>	Compliance, assurance, project management, performance management, revenue and benefits systems, parking systems etc. Research and development.
<b>Professional Judgement and Activities</b>	Risks inherent in professional work, designing buildings, teaching vulnerable children, assessing needs (children and adults).
<b>Safeguarding</b>	Protection of vulnerable adults/children
<b>Corporate Governance Issues</b>	
<b>Integrity</b>	Fraud and corruption, accountability, transparency, legality of transactions and transactions and limit of authority.
<b>Leadership</b>	Reputation, authority, democratic changes, trust and branding.
<b>Information Governance &amp; Data Security/Information for decision making</b>	Data protection, data reliability and data processing. Control of data and information. E-government and service delivery. IT Systems.
<b>Risk Management and Insurance</b>	Incident reporting and investigation, risk analysis or measurement, evaluation and monitoring. Taking advantage of opportunities.

# Potential areas of risk / opportunities to consider





## Context –what might give rise to our strategic risks?

- Political – national context, local context, governance structures internal and partners
- Economic – national and local economy, inflation, cost of living, supply chains, workforce relations, resources
- Socio-cultural - inequality, population demographics, community resilience, public expectations, cohesion
- Technological – cyber and technological disruption, data, AI
- Legal – new legislation, reforms, post Brexit, changing responsibilities and structures
- Environmental – climate change, natural disasters, infrastructure and resilience, pollution, sustainability, assets