

REPORT TITLE: ANNUAL REVIEW OF THE RISK MANAGEMENT POLICY  
2023/24

16 MARCH 2023

REPORT OF CABINET MEMBER: Councillor Margot Power, Cabinet Member for  
Finance and Value

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WARD(S): ALL

PURPOSE

This report presents the annual review of the council's Risk Management Policy and Risk Appetite 2023/24. These define the council's arrangements for identifying and managing risks and its integration with corporate governance and performance management.

There have been updates and additions to the key risks that appear on the Corporate Risk Register over the course of 2022/23, resulting from the quarterly reviews by ELB and Audit and Governance Committee.

This report seeks consideration and approval of the reviewed Risk Management Policy and Risk Appetite Statement for 2023/24.

RECOMMENDATIONS:

1. That Cabinet approve the Risk Management Policy for 2023/24, its Risk Appetite Statement for 2023/24 and the updated Corporate Risk Register.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 Effective use of risk management supports the council's management of threats and opportunities to achieve the priorities included in the Council Plan 2020-25.
- 1.2 Included in the Risk Management Policy is the Risk Appetite Statement for the council which supports members and officers in decision making by setting out where the council is comfortable taking different levels of risk by Council Plan Priority, and which levels are unacceptable.

2 FINANCIAL IMPLICATIONS

- 2.1 None directly as a result of this report. However, where there is a potential increase in risk likelihood or impact identified, additional spend may be required to manage those risks properly and adequately. Budget approval would be subject to the processes set out in the council's Financial Procedure Rules.

3 LEGAL AND PROCUREMENT

- 3.1 The council's Risk Management Policy is an important element of the overarching governance framework ensuring that the council has a robust process for evaluating risks as part of the decision-making process.
- 3.2 There are no direct legal or procurement issues arising from this report.

4 WORKFORCE IMPLICATIONS

- 4.1 Management of risk is an integral part of service delivery. Corporate Heads of Service are required to review operational risks with their management teams regularly and ensure specific project risk registers are established, monitored and maintained throughout the project lifecycle.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation on the content of the report has been undertaken with Cabinet and in particular the Cabinet Member for Finance and Value. Consultation has also taken place with the Executive Leadership Board (ELB).
- 6.2 The council's Audit and Governance Committee reviewed the draft Risk Management Policy 2023/24 at their meeting on 2 March 2023 and their comments were noted by the Cabinet Member for Finance and Value.
- 6.3 In the draft version of the Risk Management policy presented to Audit & Governance Committee, the risk appetite had been overlaid on the risk scoring matrix and the red, amber, green (RAG) risk scores. It was felt that using the risk appetite terminology to describe levels of risk could lead to

confusion. As a result, the proposed RAG status overlay on the table has been removed to ensure a clear distinction between terminology to describe the risk appetite and that to describe the risk score.

- 6.4 Additional clarification to describe the meaning of the RAG statuses for risk scores was also circulated to Audit & Governance Committee and has been added to section 6.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 8 None directly as a result of this report. However where there is an expected increase in environmental risk likelihood or impact, additional measures to manage those risks would be identified in the relevant business case before being approved.

## 9 PUBLIC SECTOR EQUALITY DUTY

- 9.1 Understanding inequality in our district and looking at ways to address is listed as a challenge we are facing. A programme of activity is underway to improve our insight into all our residents' experiences of their council.

- 9.2 An Equality Impact Assessment (EqIA) has been undertaken to assess the impacts of the Risk Management Policy see Appendix 2.

## 10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 None required.

## 11 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property</i>	None	None
<i>Community Support</i>	None	None
<i>Timescales</i>	None	None
<i>Project capacity</i>	None	None
<i>Financial / VfM</i>	None	None
<i>Legal – ensuring that the council has robust risk management in place protects the council from Legal challenges</i>	Ensure that the risk management policy is up to date, reviewed regularly and adhered to.	Identify and mitigate against risk which may enhance the council's reputation
<i>Innovation – not realised</i>	The Risk Management Appetite allows for decisions taken to incorporate opportunities for innovation within clear parameters.	The Risk Management Appetite is specific to the different Council Plan priorities.
<i>Reputation – ensuring that the council has in place robust arrangements to manage its risks</i>	This report sets out the principles and arrangements for the council to manage its risks	A robust Risk Management Policy supports the council to identify, assess and manage its risks in a

		consistent and effective way
<i>Other</i>	None	None

## 12 SUPPORTING INFORMATION:

- 12.1 This report presents the updated Risk Management Policy for 2023/24 (Appendix 1) which sets out the council's approach to risk management, the Risk Appetite and details the arrangements for managing risk. The Policy forms part of the governance and performance management arrangements at the council.
- 12.2 The Policy sets out the framework for identifying the significant risks (Corporate risks) that are relevant to the achievement of the council's strategic and operational objectives; evaluating their potential consequences; and implementing the most effective way of managing and monitoring them.
- 12.3 In-line with best practice, the council evaluates its risks using a four-point scale for the likelihood or probability of the risk occurring and the impact caused should the risk occur. These are rated between low and significant. A score for each risk is then calculated using the four-by-four matrix with the lowest score being one and the highest sixteen.
- 12.4 Included as an appendix to the Policy is the council's Corporate Risk Register which includes the risks that are of greatest significance to the council in the context of the aims and objectives that are set out in the Council Plan 2020-25. These risks are owned and regularly reviewed by ELB.
- 12.5 Report AG096 presented on 2 March 2023, contained details of the Q3 and Q4 ELB review and the amends made to the Corporate Risk Register.
- 12.6 The corporate risks are currently considered to be:
- Capacity to deliver services
  - Ensuring decisions are made on customer insight and engagement
  - The need to ensure effective business continuity plans
  - The need to maintain effective strategic partnerships
  - The need to ensure financial resilience
  - A focus on strategic planning for housing
  - Protection against digital attacks through effective cyber security
  - Responding to the Climate Emergency
  - Responding to events caused by climate change
  - Responded to the challenges of nutrient neutrality, specifically phosphates
- 12.7 The risk related to nutrient neutrality (phosphates) was escalated to the Corporate Risk Register from the Operational Risk Register in December 2022 as a result of the Q3 ELB review. This is due to the current risk

associated with this to be considered as highly likely with a significant impact. The Corporate Head of Planning and Regulatory Services and the Strategic Director are actively managing the risk to ensure controls are put in place to reduce the risk to acceptable levels.

- 12.8 The Risk Management Policy reflects best practice and there have been no major updates, amends or additions.
- 12.9 The main changes to the Risk Management Policy as a result of this annual review are:

<b>Change Description</b>	<b>Reason</b>
Additional requirement for ELB to review high-risk and escalated operational risks as part of their quarterly review (Section 4). Note: this already happens in practice but was not formalised in the previous version of the policy	To ensure strategic oversight of high risk and escalating operational risks.
Issue management added as part of ELB's role Section 5 (Corporate Planning and Operational Management)	Clarification on who is responsible for risks that materialise and become issues.
Programme and Capital (PAC) Board added to Section 5 (Corporate Planning and Operational Management)	Clarification on roles and responsibilities.
A para added to 'How do we evaluate risks?' (Section 6)	To provide an explanation of the red, amber and green (RAG) ratings.
<p>The council's Risk Appetite definitions and levels (Section 8) have been revised as follows:</p> <p>The Risk Appetite for the Council Plan priority '<i>Tackling the climate emergency and creating a greener district</i>' has been revised from 'moderate' to 'open.'</p> <p>The Risk Appetite for the Council Plan priority '<i>Your services, your voice</i>' has been revised from 'cautious to 'moderate.'</p>	<p>To align with the refreshed Council Plan.</p> <p>To reflect the urgency of the climate crisis we will consider options with elevated levels of risk if they deliver required outcomes faster.</p> <p>We want to be more ambitious than low risk, safe delivery options that are likely to have restricted potential for reward/return. The risk appetite has been revised to reflect the commitment to continuing to provide high quality, good value, resilient services that are continuously improving.</p>
Addition of a table and narrative on assessing risk appetite (Section 8)	To give guidance to Officers and decision takers in terms of assessing

Change Description	Reason
	the Risk Appetite.
The three lines of defence model in Section updated to the most current version (Section 12)	Identified as previous version being out of date (no material impact).

- 12.10 Regular updates are reported to Audit and Governance Committee on the Corporate Risk Register and management actions in place to manage and/or mitigate the risks.
- 12.11 The Policy also includes the council's risk appetite statement, which sets out the level of risk the council is prepared to take whilst also making the most of opportunities and innovation when they arise. This has been reviewed and the previous risk appetite, defined overall as 'moderate,' is still considered to be appropriate. The council continues to tend towards exposure to only modest levels of risk in order to achieve acceptable outcomes. As per the above summary of changes to the Policy for 2023/24, the risk appetite levels for two of the Council Plan priorities have been revised. Further detail on the risk appetite is included in section 8 of the Risk Management Policy.
- 12.12 This policy has been reviewed to ensure it and the council's revised project management methodology are in alignment.
- 12.13 As part of the revised project management methodology, the approved Risk Register template must be completed for every project to ensure all necessary information is captured. All risks must be recorded, and mitigation actions identified. A responsible person (the risk owner) must be assigned to each risk. The risk register must then be monitored and maintained throughout the lifecycle of the project.

### 13 OTHER OPTIONS CONSIDERED AND REJECTED

13.1 None.

#### BACKGROUND DOCUMENTS: -

##### Previous Committee Reports: -

None.

##### Other Background Documents: -

None.

#### APPENDICES:

Appendix 1 – Risk Management Policy 2023/24

Appendix 2 – Equality Impact Assessment (EqIA)



# Risk Management Policy

## 2023/24

<b>Version Control – Risk Management Policy 2023/24</b>			
<b>Version</b>	1.0	<b>Approved by</b>	Cabinet
<b>Date last amended</b>	07/03/2023	<b>Approval date</b>	16/03/2023
<b>Lead officer</b>	Liz Keys S151 Officer	<b>Review date</b>	01/04/2024

<b>Version History</b>			
<b>Date</b>	<b>Version Number</b>	<b>Summary of Changes</b>	<b>Author</b>
26/01/2023	1.0	Annual review and refresh in-line with best practice	Amy Tranah – Service Lead, Corporate Support

Please contact the author of this document if you require it in an alternative format, such as large print or a coloured background.



## 1. Introduction

As part of Winchester City Council's (the council) arrangements to ensure good governance, the purpose of effective risk management is to provide assurance and demonstrate that the council is 'risk aware.' This entails being able to identify risks, evaluate their potential consequences and determine the most effective methods of controlling or responding to them.

The council believes that risk needs to be managed rather than avoided and that consideration of risk should not stifle innovation and creativity.

This policy outlines the approach the council takes with regard to its responsibility to manage risks and opportunities using a structured, focused and proportional methodology. Risk management is integral to all policy and project planning and operational management throughout the council and integrates with our corporate governance and performance management.

This approach to risk management actively supports the achievement of the agreed actions, projects and programmes included as set out in the Council Plan 2020-25.

**Risk can be thought of as possibility that an action or event will affect the council's ability to achieve its objectives or outcomes.**

Good risk management is about identifying what might go wrong, assessing our level of tolerance towards that and then putting in place measures to prevent the worst from happening, or to manage the situation if something does go wrong. It is also about assessing what must be done to support achievement of the council's objectives and acting in a way that makes this more likely to happen.

## 2. Our corporate approach to risk management

Risk management is about providing assurance by being 'risk aware.' Risk is ever present in everything that we do and some risk taking is inevitable if the council is to achieve its objectives. Risk management is about making the most of opportunities when they arise and achieving objectives once those decisions are made. By being 'risk aware' the council is better placed to avoid threats and take advantage of opportunities.

The aim of our Risk Management Policy is to be fit for purpose, reflect our size and the nature of our various operations, and use our skills and capabilities to the full.

Risk management is most effective as an enabling tool, so we need a consistent, communicated and formalised process across the council. The council is a corporate member of ALARM, a not-for-profit professional membership association that has supported risk and insurance professionals in Public Service Organisations in the UK for 30 years and this policy has been developed in-line with best practice.

Robust project management processes and principles will enable identification of potential risks early in the process and set out how these can be managed. Staff training in project management and risk management principles is essential to embed good practices.

By embedding a culture of risk management into the council, members and officers are able to make effective decisions about services and the use of financial resources to ensure that the council's objectives are met.

An effective corporate approach to risk management will:

- Make it more likely that the council's priorities will be achieved
- Safeguard the organisation and provide assurance to members and officers
- Become part of every manager's competency framework, job description and performance appraisal
- Provide support to the overall governance of the organisation
- Improve decision making
- Identify issues early on
- Provide a greater risk awareness and reduce surprises or unexpected events
- Develop a framework for structured thinking
- Ensure best use of finances as risks are identified and managed and exposure to risk is minimised
- Facilitate achievement of long-term objectives
- Ensure a consistent understanding of and approach to risks

### **3. Our risk management framework**

Risk management is the process of identifying significant risks relevant to the achievement of the council's strategic and operational objectives, evaluating their potential consequences and implementing the most effective way of managing and monitoring them.

The framework and process arrangements supporting risk management at the council involve:

- A Risk Assessment Tool (section 4)
- Details of how risk management supports corporate planning and operational management (section 5)
- Risk appetite statement (section 8)

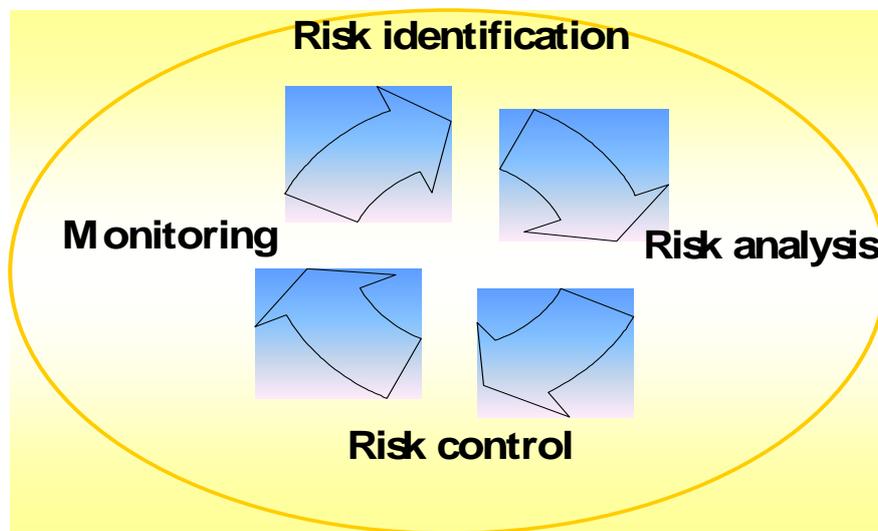
- Monitoring and review arrangements (section 10)
- A timetable linked to corporate governance programme (section 11)

## 4. Risk Assessment Tool

### The Principles

The council generally manages risk effectively within the course of its normal operations through its management structure and governance arrangements.

### Risk Assessment Tool



When identifying risks, it can be helpful to use the following sources of risk as prompts to ensure that all areas of risk are considered:

Sources of Risk	Risk Examples
<b>Property, Infrastructure and Assets:</b>	Functioning of transport, communications and utilities infrastructure. The impact of storms, floods and pollution.  Security and safety of property, plant equipment and infrastructure
<b>Political, Legal and Regulatory:</b>	Effects of change of government policy, UK legislation (where applicable), national or local political or control, meeting the administration’s Council Plan outcomes. Issues of timing. Following the organisation’s stated/agreed policy. Legality of operations
Professional judgement & activities	Risks inherent in professional work such as assessing clients’ welfare or planning or response to the Equalities Act.

Sources of Risk	Risk Examples
Reputation	Affecting the public standing or perception of the council, partnerships, or individuals (affecting the council). Management of issues that may be contentious with the public or the media.
<b>Technological</b>	Capacity to deal with obsolescence and innovation, product reliability, development and adaptability or ability to use technology to address changing demands.  Business continuity – ability to continue operations / service delivery if unable to access systems, property or with limited staff (e.g. pandemic).
<b>Commercial:</b>  Competition & markets  Contracts & partnerships	Affecting the competitiveness (cost and quality) of the service and/or ability to deliver value for money and general market effectiveness.  Dependency on or failure of contractors to deliver services or products to the agreed cost and specification. Procurement contract and relationship management. Overall partnership arrangements, e.g. for pooled budgets or community safety. PFI, and regeneration.
<b>People:</b>  Customer & Stakeholder – related  People management & human resources	Satisfaction of citizens, users, central and regional government and other stakeholders. Managing expectations – consulting & communication on difficult issues.  Managing changes to services that may affect staff and/or ways of working. Resourcing the implementation of the option. Employment issues (TUPE etc.), Maintaining effective health & safety of staff and users.
<b>Financial:</b>	Risk of loss of capital or investment; or of committing the organisation to budgeted increased future costs.  Risk of fraud or non-compliance with tax regulations.
<b>Sustainability:</b>  Environmental  Social Factors  Financial	Environmental consequences arising from option (e.g. in terms of energy efficiency, pollution, recycling emissions etc.)  Effects of changes in demographic, residential and social trends on ability to deliver objectives.  Costs, long term financial sustainability/ reliance on finite or

Sources of Risk	Risk Examples
(Economic)	vulnerable funding streams. Financial control, fraud and corruption.

Note: Failure to manage risks in any of the above categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, citizen and operational consequences.

It is important to maintain a sense of proportionality with day-to-day risk and the following principles will be applied:

- Managers have a good understanding of their services and service developments and are able to adequately identify the risks involved.
- Managers understand the limits that the organisation places on the action that can be taken by any individual officer. There is a general awareness of what management action is appropriate and where further consultation and approvals are required with colleagues and more senior managers. The organisation therefore recognises its risk appetite in relation to the decisions it takes.
- There is a good level of understanding of what risk it is acceptable to take during the normal course of work and the organisation recognises its risk appetite in relation to its ongoing activities.
- Unnecessary bureaucracy should be avoided, in particular by preparing documentation solely to demonstrate (rather than support or enhance) effective management. The cost (in terms of the time involved) relative to the benefit gained by defining every possible risk in detail and assigning impact and likelihood scores to each risk associated with every planned or current activity is deemed too great to be generally worthwhile. However where there are known concentrations of risk, such as in new service developments or relating to our programme of tier 1 projects, managers understand that they must document, monitor and manage these risks using the council's scoring framework. Similarly, the senior leadership team (or whoever is appropriate) should seek to identify, assess and manage those risks that seem likely to cause problems or bring benefits at a corporate level.
- The internal audit team at the Southern Internal Audit Partnership (SIAP) work with the responsible Strategic Director and Executive Leadership Board (ELB) to consider the council's assurance needs and makes its own assessment of the internal audit work required to provide this assurance.
- Managers are encouraged and supported to consider the potential threats and opportunities involved in any new service developments and improvements, and to monitor ongoing performance. Documentation of risks, related controls

and mitigating action plans should be considered where this is helpful and appropriate and, where this is the case, risk registers should be prepared. This is likely to be appropriate for specific service development projects when project risk registers must be monitored closely by the lead project manager and sponsor.

- It is the responsibility of all staff to assess risks associated with their work and projects and to escalate any potential existing or emerging risks which they feel cannot be managed within sensible parameters to ELB.
- The Programme Management and Capital Strategy (PAC) Board regularly review the risks of all major projects (Tier 1 and 2) and capital programme schemes.

### **Identification of risks**

ELB regularly reviews the Corporate Risk Register and decides if any risks need to be escalated, if there are any emerging risks to be added or any risks that should be removed. Risk owners for corporate risks are generally a member of ELB. The Risk Register records a Risk Description, Risk Owner and details of potential causes, consequences and controls. The inherent risk should be assessed and recorded (the original level of risk before treatment measures have been taken into consideration) and also the residual risk (the remaining level of risk after risk mitigation and control measures have been taken into consideration.) ELB also review the current controls and decide if any further are needed or whether the residual risk is accepted.

The Corporate Risk Register is included as an appendix to the Risk Management Policy and formally agreed each year by cabinet. Audit and Governance Committee reviews the risks and policy to make comments to cabinet on the efficacy of the arrangements for managing risk at the council.

Service or operational risks are reviewed by the relevant Corporate Head of Service (CHoS) on an ongoing basis and significant risks added to the relevant statement of assurance during the spring of each year.

Increases to the ratings of Operational Risks are reported to ELB and they review the current controls and whether further mitigation measures are required.

ELB also review the high-risk Operational Risks to identify if any are linked to current Strategic Risks so that impact can be assessed and considered in the whole.

The council's project management methodology is based on best practice frameworks including PRINCE2 and the Association of Project Management (APM). Incorporated within this methodology is a robust process for the management of project risks. Project risk registers must be created for each new project and maintained throughout the project life cycle.

Overarching project risks (for example, failure to deliver on a specific project) may be included in the corporate risk register if they are of sufficient importance at this level and/or the risks are being poorly managed for whatever reason. Tier 1 and Tier 2 project risks are reviewed regularly by the PAC Board.

The Annual Governance Statement is also a key part of risk management and plays an important role in the identification and escalation of risks. The statement is produced following a review of the council's governance arrangements and explains how the council delivers good governance. Underpinning the statement are the individual statements of assurance which are completed by each Service Lead and include details of significant risks for their service area. Risks which have additional corporate significance are escalated into the Annual Governance Statement which reads across into the Corporate Risk Register.

It is important for Service Leads to refer to this Policy when completing their statement of assurance and providing details of risks affecting the pursuit of the objectives of the team (although this is not the only time risks will be considered).

## **5. How risk management feeds into corporate planning and operational management**

By embedding risk management into existing policy and service planning processes, members and officers are able to make informed decisions about the appropriateness of adopting a policy or service delivery option.

The information resulting from the risk management approach acts as one of the key pieces of information incorporated into the development of corporate, business and service plans. Risk management is an essential element in establishing policy, developing plans and enhancing operational management.

In order to formalise and structure risk management at the council, it is recognised that there are obvious and clear links between risk management and strategic objectives; financial planning; policy making & review and performance management. The linkages are as follows:

a) The Council Plan reflects the desired outcomes for the district, informed by consultation with the public and stakeholders and sets out the priority outcomes for the council and identifies the important issues that will be addressed over the life of the Plan through the work of the council and its partners. During the lifetime of the Plan there will be direct and indirect threats to the achievement of the outcomes, and these are risks that must be effectively managed.

b) As part of the annual planning process each team considers the key actions to be taken and targets for performance and Corporate Heads of Service prepare strategic service plans for their areas. An assessment of the risks forms part of this planning

which is an identification and prioritisation of the most significant risks faced in delivering the key priorities for the year, with actions identified to mitigate and manage these. These actions are then managed as part of the normal business of the team.

c) All staff have an annual appraisal which monitors progress being made and sets objectives for the coming year required to deliver service plan actions and achieve. As part of this, risk management is cascaded down to risk owners as an objective which aims to gain their support and awareness to ensure effective management of risk within the council. Risk Owners are required to review and update their risks quarterly. This process is managed via the council's Risk Management software with Risk Owners being prompted to update risks in accordance with the policy. This ensures corporate visibility of new, escalated and deescalated risks for reporting as appropriate.

d) Measurement of performance against the Council Plan outcomes, performance indicators and key tasks is achieved in a number of ways:

- In addition to day-to-day management, teams carry out a regular review of progress in their area, which includes assessment of progress against Council Plan actions, performance trends and risks. Where appropriate, exceptions are reported to the ELB for consideration and agreement of corrective action, if required.
- ELB also keep an overview of financial plans, with service performance and emerging risks with corporate risks being reviewed quarterly. If a risk materialises and becomes a live 'issue' the response to this and owner of the issue is agreed by ELB.
- The Scrutiny Committee, via the Performance Panel receives quarterly reports that provides an update on the progress achieved against the actions included in the Council Plan and any significant issues are raised with cabinet.
- PAC Board consider risks for major projects and capital programme schemes

## **6. How do we evaluate risks?**

The council evaluates its identified risks on a four-point scale on the likelihood or probability of the risk occurring and the impact caused should the risk occur being rated between low and significant.

RAG (Red-Amber-Green) ratings, also commonly known as 'traffic lighting,' are used to summarise risks (original and residual). At a basic level Green means low-risk or likelihood and that any risk is being well managed; while Amber and Red indicate progressively more significant or likely risks that require more action to manage down to a tolerable level.

The council has chosen to divide the rating into RAG bands as shown on the risk map below:

		IMPACT			
		Low (1)	Moderate (2)	Major (3)	Significant (4)
LIKELIHOOD	Highly Likely (4)				
	Likely (3)				
	Unlikely (2)				
	Highly Unlikely (1)				

### Impact Rating

The following table provides the definitions which should be used when determining whether a risk would have a Low, Moderate, Major or Significant impact.

Impact is defined as the impact to the organisation should the risk materialise.

Each potential risk area should be considered, and the highest impact scored should be the score (1-4) that is used to define the overall impact score.

	Low (1)	Moderate (2)	Major (3)	Significant (4)
Financial	Less than £20K	£20k or over and less than £250K	£250K or over and less than-£2MK	£2M plus
Service Provision	No effect	Slightly Reduced	Service Suspended Short Term / reduced	Service Suspended Long Term Statutory duties not delivered
Health & Safety	Sticking Plaster / first aider	Broken bones/illness Lost time, accident or	Loss of Life/Major illness – Major injury incl broken	Major loss of life/Large scale major illness

		occupational ill health	limbs/hospital admittance. Major ill health	
Morale	No effect	Some hostile relationship and minor non cooperation	Industrial action	Mass staff leaving/Unable to attract staff
Reputation	No media attention / minor letters	Adverse Local media	Adverse National publicity	Remembered for years
Govt relations	One off single complaint	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently

### Likelihood Rating

Likelihood is the chance of a risk materialising.

It is unlikely that in many cases the probability of a risk occurring can be calculated in a statistically robust fashion as we do not have the data to do so. However, as an indicator, the likelihood is defined by the following probability of a risk occurring:

Likelihood	Probability
Highly Unlikely (1)	1% to 25% chance in 5 years
Unlikely (2)	26% to 50% chance in 5 years
Likely (3)	51% to 75% chance in 5 years
Highly Likely (4)	76% to 100% chance in 5 years

## 7 How we respond to risks

Once a risk has been identified, the council need to decide and agree what it is going to do about it. The recognised approaches to controlling risks are described as the five key elements or 5 T's; Tolerate, Treat, Transfer, Terminate and Take the opportunity. These are described in more detail below. It is generally accepted that where a risk can be reduced through some form of treatment or mitigation in a cost-effective fashion then it is good to do so.

As a general principal once a risk has been identified, consideration needs to be given to the five T's and that the chosen approach is seen as being cost-effective so that the control of the risk is not disproportionate to the expected benefits.

The five T's are:

- Treatment** By far the greatest number of risks will be addressed in this way by using appropriate control counter measures to constrain the risk or reduce the impact or likelihood to acceptable levels. Examples include strategy, process, people or systems improvement.
- Transfer** For some risks the best response may be to transfer them and might be done by transferring the risk to another party to bear or share the risk, e.g. through insurance, contracting or entering into a partnership. Reputation risk can never be transferred.
- Tolerate** Where it is not possible to transfer or treat the risk, consideration needs to be given to how the consequences are managed should they occur. This may require having contingency plans in place, for example, Business Continuity Plan which creates capacity to tolerate risk to a certain degree.
- Terminate** Some risks will only be treatable, or containable to acceptable levels by terminating the activity that created them. It should be noted that the option of termination of activities may be severely limited in government when compared to the private sector; a number of activities are conducted in the government sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved. This option can be particularly important in project management if it becomes clear that the projected cost / benefit relationship is in jeopardy.
- Take the Opportunity** This option is not an alternative to those above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this. The first is whether or not at the same time as mitigating threats; 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 judged to be good enough to justify increasing the sum of money at stake to gain even greater advantages? The second is whether or not circumstances arise which, whilst not generating threats, offer positive opportunities. For example, a drop in the cost of goods or services frees up resources which can be re-deployed.

## 8. Risk Appetite

ALARM defines risk appetite as “*The amount of risk to the organisation, or subset of it, it is willing to accept.*” (Source: ALARM Risk Management Toolkit 2021).

A clearly understood and articulated risk appetite statement assists with the risk awareness for the council and supports decision making in pursuit of its priority outcomes and objectives.

The council’s Risk Appetite Statement is an integral part of its Risk Management Policy and ensures that the opportunities the council is willing to take to achieve its strategic outcomes and objectives are measured, consistent and compatible with the capacity to accept and manage risk and do not expose the council to unknown, unmanaged or unacceptable risks.

This statement will be reviewed and approved by cabinet annually. The approved statement will be included as an appendix to the Risk Management Policy. The council may decide to move the appetite up or down based on a number of influencing factors including financial and capacity, and the council may have a higher ‘aspirational’ risk appetite once sufficient assurance is gained and processes put in place to manage the higher levels of risk.

Risk management is about being ‘risk aware.’ Risk is ever present in everything that we do and some risk taking is inevitable if the council is to achieve its objectives. Risk management is about making the most of opportunities when they arise and achieving objectives once those decisions are made. By being ‘risk aware’ the council is better placed to avoid unforeseen problems and take advantage of opportunities that arise.

We recognise risk management as a vital activity that underpins and forms part of our vision, values and strategic objectives, (including operating effectively and efficiently), as well as providing confidence to our community.

## **The council's Risk Appetite 2023/24**

The council will take fair, measured and targeted levels of risk to achieve the priority objectives included in the Council Plan. There will be opportunities for the council to be innovative or work differently and any identified risks will need to be considered against the anticipated cost and efficiency benefits.

When analysing the risk associated with decisions, the council considers the parameters around five key areas of risk, illustrated in the following diagram.



The Risk Appetite Statement supports members and officers in decision making by setting out where Cabinet is comfortable accepting different levels of risk, and which levels of risk are potentially unacceptable. The council's risk appetite should be considered in conjunction with the risk section of all committee reports when decisions are made.

The council's current overall risk appetite is defined as MODERATE (see table below for definitions). This means the council remains open to innovative ways of working and to pursue options that offer potentially substantial rewards, despite also having greater level of risks. However, the council's preference is for safe delivery options which have a lower degree of risk, especially for those services required by statute.

Risk Appetite Definitions	
Avoid	No appetite. Not prepared to take risk.
Averse	Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognising that these will have little or no potential for reward/return.
Cautious	Willing to accept some low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return.
Moderate	Tending always towards exposure to only modest levels of risk in order to achieve acceptable outcomes.
Open	Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.
Hungry	Eager to seek original/creative/pioneering delivery options and to accept the associated substantial risk levels in order to secure successful outcomes and meaningful reward/return.

Risk appetite is not a single, fixed concept and there will be a range of appetites for different risks which may vary over time. The council's risk appetite by corporate priority and guiding principles are set out below:

Council Plan Priority	Risk Appetite	
Tackling the climate emergency	Open	Reflecting the urgency of the climate crisis we will consider options with elevated levels of risk if they deliver required outcomes faster.
Homes for all	Open	We will choose innovative solutions which may bring elevated levels of risk in order to provide homes that are: <ul style="list-style-type: none"> <li>• Affordable</li> <li>• sustainable</li> <li>• with low energy usage and low bills</li> </ul> built in the right areas for our changing communities.
Living well	Moderate	We will continue to facilitate and deliver solutions, often working with partners, that produce positive outcomes for all our residents. We will usually take moderate to low-risk options.
Vibrant local economy	Moderate	We will tend towards exposure to modest levels of risk in order to deliver positive outcomes for our local economy in these challenging times.
Your services, your voice	Moderate	We will, in order to ensure resilience, enhance our services and make the best use of our resources and explore alternative delivery models. We will tend towards moderate risk exposure to deliver good levels of service.

## Assessing Risk Appetite

Effective risk management should support informed decision-making. A key consideration in balancing risks and opportunities to support informed decision-making and preparing tailored responses is the conscious and dynamic application of the organisation's risk appetite.

To give guidance to Officer's in terms of assessing project and decision risk against the council's risk appetite, the below table maps the risk appetite definitions above to the impact and likelihood set out in Section 6:

		I M P A C T			
		Low (1)	Moderate (2)	Major (3)	Significant (4)
L I K E L I H O O D	Highly Likely (4)	<b>Cautious</b>	<b>Open</b>	<b>Hungry</b>	<b>Hungry</b>
	Likely (3)	<b>Cautious</b>	<b>Open</b>	<b>Hungry</b>	<b>Hungry</b>
	Unlikely (2)	<b>Averse</b>	<b>Moderate</b>	<b>Open</b>	<b>Open</b>
	Highly Unlikely (1)	<b>Averse</b>	<b>Cautious</b>	<b>Moderate</b>	<b>Open</b>

## 9. Risk Registers

Individuals view risk in different ways, based on past experiences, personal beliefs and outlook, which impact risk perception. Having a structure and process improves consistency and alignment, ensuring a clear consensus on the prioritised risks facing an organisation, recorded in a risk register.

Risk registers are reference documents that summarise the different risks that might occur and record the potential impact to the council. Just because a risk is included on the risk register does not mean that the council thinks it will happen, but it does mean that the council thinks it is worth seeking to manage. The risk score is, therefore, based on a 'reasonable worst-case scenario.' The methodology for the scoring of risks is included in section 6 above.

The council maintains several risk registers, and these are:

- Corporate Risk Register – this register records the most significant risks for the council or those risks which may prevent the council from achieving its

strategic objectives as set out in the Council Plan. Corporate Risks are managed by ELB.

- Operational Risk Register – includes risks that might affect the delivery of individual services but would not in isolation threaten the council’s overall objectives. Operational risks are managed by the Corporate Heads of Service.
- Project and Programme Risk Registers – provides a register of the risks that if they occur have a positive or negative effect on the achievement of the project’s and programme objectives. Project or Programme Managers manage project and Programme risks.

## **10. How we monitor and report risk**

Risk management must be embedded into decision making, business planning and performance management arrangements so that it is central to the way the council works. It contributes to the concept of ‘No Surprises,’ ‘Getting it right first time’ and ‘Having a Plan’ which will be useful should the unexpected happen.

The framework of monitoring and reporting has been developed using the council’s performance management software; Pentana, which is able to record the risks onto the system with the relevant risk owner having access so that monitoring and updating can take place.

This requires:

- ELB monitors and reviews progress against corporate risks as part of its quarterly monitoring meeting, making a judgement on any risks referred for escalation and identifying any risks that can be moved to operational risk registers. Results of these reviews will form part of the regular monitoring report submitted to the Audit and Governance Committee and reported to Cabinet if decisions on any procedure or policy changes are needed.
- The Audit and Governance Committee receives regular monitoring reports that provide assurance that the risks identified on the Corporate Risk Register are being adequately managed. The Audit and Governance Committee may decide to receive in-depth reports for the most significant risks on the register or risks that are causing concern.

If at any time a risk other than those on the Corporate Risk Register (for example an operational risk) is scored ‘red’ full details should be presented to the next ELB meeting for further consideration and approval of appropriate mitigation action and controls if required. This may include escalation to the Corporate Risk Register.

All council committee reports include a section titled “Risk Management.” The purpose of this section is for the author to demonstrate and provide evidence that the risks associated with the content of the report have been properly identified, assessed and evaluated. The table in this section is split into categories of potential

risk sources. Consideration should also be given to the council's Risk Appetite to support decision making. This sets out the amount and type of risk that the council is prepared to seek, accept or tolerate.

## 11. Timetable

Risk management is an integral part of corporate governance, and in particular is closely linked with performance management. Therefore the cyclical timetable for risk management follows that of the performance management framework:

When	Who?	What?
Winter / Spring	Executive Leadership Board	<ul style="list-style-type: none"> <li>Quarterly review of Corporate Risk Register</li> <li>Budget and Service Plan risks considered</li> <li>Reviews and comments on the draft Risk Management Policy and Risk Appetite Statement and for the coming year</li> </ul>
	Audit and Governance Committee	<ul style="list-style-type: none"> <li>Review the Corporate Risk Register and monitoring report</li> <li>Reviews and comments on the draft Risk Management Policy and Risk Management Appetite for the coming year</li> </ul>
	Cabinet	<ul style="list-style-type: none"> <li>Approval of updated Risk Policy for the forthcoming year</li> <li>Approval of Risk Appetite for forthcoming year</li> <li>Approval of Corporate Risk Register</li> </ul>
Summer	Executive Leadership Board	<ul style="list-style-type: none"> <li>Quarterly review of Corporate Risk Register</li> </ul>
	Audit and Governance Committee	<ul style="list-style-type: none"> <li>Review the Corporate Risk Register and monitoring report</li> <li>In-depth update for significant corporate risks as requested</li> </ul>
Autumn	Executive Leadership Board	<ul style="list-style-type: none"> <li>Quarterly review of Corporate Risk Register</li> </ul>
	Audit and Governance Committee	<ul style="list-style-type: none"> <li>Review the Corporate Risk Register and monitoring report</li> <li>In-depth update for significant corporate risks as requested</li> </ul>

## 12. Risk Management roles and responsibilities

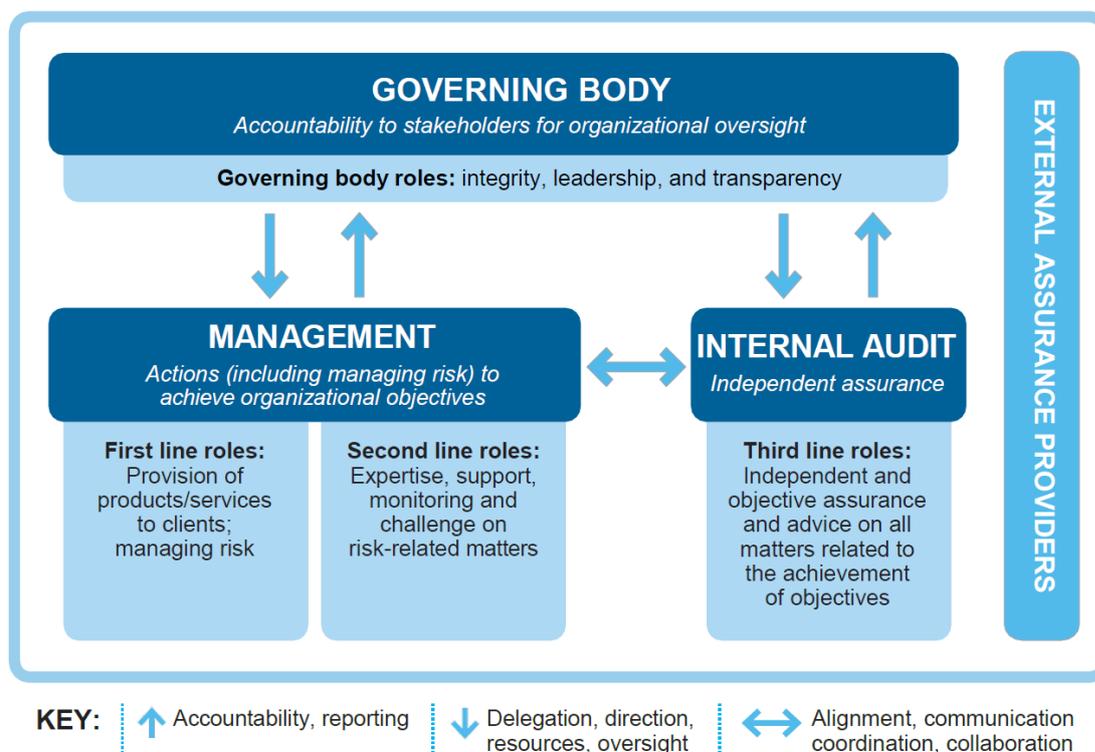
Assurance can come from many sources within an organisation. A concept for helping to identify and understand the different contributions the various sources can provide is the Three Lines of Defence model. By defining the sources of assurance in three broad categories, it helps to understand how each contributes to the overall level of assurance provided and how best they can be integrated and mutually supportive

This concept is widely known among the insurance, audit and banking sectors as a risk governance framework. The concept can be used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective risk management, governance and assurance.

The following table is an example of the three lines of defence concept.

Example: Three line of defence model from the Institute of Internal Auditors (IIA)

### The IIA's Three Lines Model



**First line of defence:**

As the first line of defence, Service Leads or service managers own and manage risks within their service area. They are also responsible for implementing appropriate corrective action to address, process and control weaknesses.

Service Leads are also responsible for maintaining effective internal controls and managing risk on a day-to-day basis. They identify, assess, control and manage risks ensuring that their services are delivered in accordance with the council's aims and objectives.

**Second line of defence:**

The second line of defence relates to the strategic direction managed by ELB and the council's oversight functions (e.g. Finance, Legal Services, Procurement and HR) which are responsible for defining policies, setting direction, ensuring compliance and providing assurance.

Included within the Anti-Fraud and Corruption Policy is the council's Whistleblowing Policy which encourages staff to report concerns which may expose the council to risk.

**Third line of defence:**

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the organisations operations. It helps the council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The aim of internal audit's work programme is to provide assurance to management, in relation to the business activities, systems or processes under review that the framework of internal control, risk management and governance is appropriate and operating effectively; and risks to the achievement of the council's objectives are identified, assessed and managed to a defined acceptable level.

Such risks are identified through senior management liaison and internal audits own assessment of risk. External audit, inspectors and regulators also provide assurance on the management of risk and delivery of objectives.

**S151 Officer:**

In addition to the three main lines of defence, there is the role of the S151 Officer. CIPFA outlines one element of the role as, "demonstrates integrity by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks"

## Other Specific Responsibilities

Who	What
<b>Members</b>	Elected members are responsible for governing the delivery of services to the local community. Members have a responsibility to understand the strategic objectives and risks that the council faces and will be made aware of how these risks are being managed.
<b>Cabinet</b>	<ul style="list-style-type: none"> <li>• To ensure that effective arrangements are in place throughout the council, and these are kept up to date,</li> <li>• Approving the council's Risk Management Policy and Risk Appetite,</li> <li>• Monitoring the council's risk management and internal control arrangements via an exception reporting process,</li> <li>• Ensuring that Cabinet decisions made are cognisant of the council's Risk Appetite.</li> </ul>
<b>Audit and Governance Committee</b>	The Audit and Governance Committee's role is to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance, and to monitor the effective development and operation of risk management and corporate governance in the council.
<b>Executive Leadership Board (ELB)</b>	<p>ELB is pivotal in promoting effective risk management and ensuring that it is embedded in the culture of the council.</p> <p>The key responsibilities for the Chief Executive, S151 officer and ELB are:</p> <ul style="list-style-type: none"> <li>• Promoting the implementation of the council's risk management arrangements on a corporate basis</li> <li>• Supporting and promoting the benefits of effective risk management throughout the council</li> <li>• Supporting the identification and assessment of risk on an ongoing basis</li> <li>• Annually review the Corporate Risks to be presented to Cabinet</li> <li>• Managing the Corporate Risks</li> </ul>
<b>Programme and Capital (PAC) Board</b>	<ul style="list-style-type: none"> <li>• Regularly review the progress of the council's major projects and capital programme schemes. Includes review of risk registers, oversight of programme management and budget management</li> </ul>
<b>Corporate Heads of</b>	Senior managers have responsibility for minimising and

Who	What
<b>Service, Service Leads and Senior Managers</b>	<p>managing risk within their teams. They will demonstrate their commitment to risk management through:</p> <ul style="list-style-type: none"> <li>• Being actively involved in the identification and assessment of risks</li> <li>• Developing relevant action plans for the key risks and establishing relevant performance indicators to measure their performance through the performance management framework</li> <li>• Incorporating the risk management process into business/service planning processes</li> <li>• Monitoring the Teams' risks regularly and on no less than a quarterly basis</li> <li>• Encouraging staff to be open and honest in identifying risks or potential opportunities</li> <li>• Ensuring that the risk management process is part of all major projects and change management initiatives</li> <li>• Ensuring that the risk management process is part of all major procurements and contract management activity</li> <li>• Monitoring and reviewing action plans regularly to effectively treat risks</li> </ul>
<b>Risk and Insurance Support</b>	<ul style="list-style-type: none"> <li>• Facilitate and support the procurement of the council's insurance programme and the management of claims.</li> <li>• Support managers in understanding where risk can be transferred by the use of insurance mechanisms</li> </ul>
<b>Service Lead – Corporate Support</b>	<ul style="list-style-type: none"> <li>• Provide risk management leadership and support across the council,</li> <li>• Provide assistance with and prepare management reports.</li> <li>• Support the Executive Leadership Board and senior managers on risk related issues.</li> </ul>
<b>All staff</b>	<p>All staff have the responsibility for council risks and must understand their role in the council's risk management arrangements including the Anti-Fraud and Corruption Policy which includes the Whistleblowing Policy. Training and support is provided at the staff induction and periodically.</p> <p>All staff are expected to know how to recognise, assess and evaluate risk, when to accept risk and to recognise that risks can create opportunities for the council.</p>
<b>Southern Internal</b>	The role of the Southern Internal Audit Partnership who

Who	What
<b>Audit Partnership</b>	act as the council's Internal Auditors is that of an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It will be responsible for undertaking an assessment of the council's risk management and internal control mechanisms as part of the review of corporate governance arrangements.

Everyone involved in risk management has a responsibility to identify learning from risks and their management.

### **Corporate Risk Register**

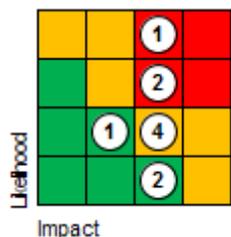
Significant risks have been reviewed by ELB and the following table provides details of the risks that are included on the Corporate Risk Register for 2023/24.

# Corporate Risk Register 2023/24

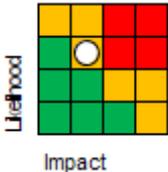
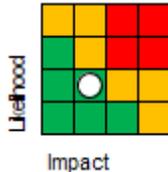


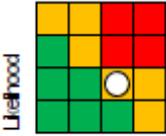
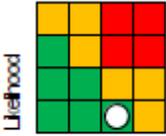
As of 16 March 2023

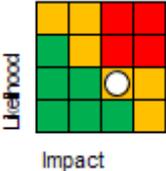
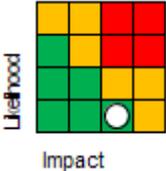
Residual Risk Summary:

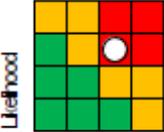
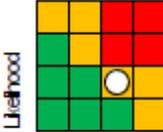


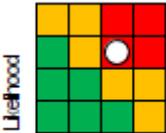
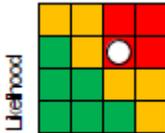
Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
CR001	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services	Chief Executive	<ul style="list-style-type: none"> <li>• Ambitious council plan with multiple strands of activity</li> <li>• Staff resources are lean, and teams are working at capacity to deliver services at current levels of demand</li> <li>• Outbreak of a pandemic that increases the pressure to continue to provide critical services as well as respond to</li> </ul>	<ul style="list-style-type: none"> <li>• If decision making is slow, delays occur, and potentially available resources are redeployed or become unavailable if they are externally sourced.</li> <li>• Implementation of business continuity plan to target work in critical areas in cases of staff shortage.</li> <li>• If staff lack political awareness, middle</li> </ul>		<ul style="list-style-type: none"> <li>• Council Plan is distilled into key priorities by service. If capacity becomes an issue, prioritisation of activity is in place</li> <li>• Critical activities are reviewed with Cabinet alongside a refreshed Council Plan approved in January'23</li> <li>• Proactive approach to communications internal and external</li> </ul>	

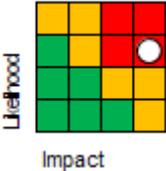
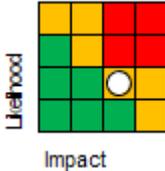
Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
			<p>the needs of residents and businesses affected by the pandemic</p> <ul style="list-style-type: none"> <li>• Competition from the private sector for key staff roles e.g. planning, project management</li> <li>• Tension between day-to-day and strategic priorities</li> <li>• Key skills not in the right place</li> </ul>	<p>managers will be slow to redeploy resource to current priorities</p> <ul style="list-style-type: none"> <li>• If staff are diverted then can't deliver on other lower-level priorities or day-to-day work</li> <li>• Reputation is damaged as the council is not seen to be able to deliver projects</li> <li>• Local members are not always kept informed of activity in their area</li> <li>• Unable to deliver key council services</li> </ul>		<ul style="list-style-type: none"> <li>• 50/50 hybrid working policy agreed</li> <li>• Annual Service Planning</li> <li>• Regular meetings with relevant cabinet members</li> <li>• Positive use of fixed term contracts to aid flexible resourcing</li> <li>• Targeted use of external resource</li> <li>• Reallocation of human and financial resources across and within the organisation as required</li> <li>• CMM review resources on a regular basis</li> </ul>	
CR003	Decisions made by the council are challenged due to a lack of a strong evidence base, customer insight and engagement with change or procedural errors	Strategic Director and Monitoring Officer (MO) SE	<ul style="list-style-type: none"> <li>• Lack of skill and/or time to identify evidence to support decision making</li> <li>• Lack of consultation with ward members and/ or parish council's over local issues</li> <li>• Procedural error in statutory process</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of a robust and evidence-based approach to customer engagement can lead to: <ul style="list-style-type: none"> <li>- Reputational damage</li> <li>- Views that the council is too Winchester-centric</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• Consultation with ward and parish councillors (on matters within their ward or parish)</li> <li>• Risks with regard to significant projects are recognised and addressed separately via robust Project Management and</li> </ul>	

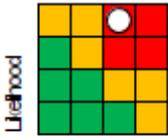
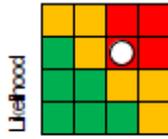
Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
			<ul style="list-style-type: none"> <li>Inconsistent and traditional approach to customer engagement across the council</li> <li>Lack of awareness of the questions to ask</li> <li>Lack of awareness of the 'right time' to engage</li> <li>Lack of public awareness of the opportunity to engage</li> <li>Council is not aware of the full range of interested stakeholders</li> <li>Council may only hear the loudest voices and not the silent majority or those that do not readily engage</li> </ul>	<ul style="list-style-type: none"> <li>That decisions made are Inequitable</li> <li>There is a perception that people's views are ignored</li> <li>Ward members and/or parish council's not being informed</li> <li>Legal/ judicial review or challenge against a decision made</li> </ul>		<ul style="list-style-type: none"> <li>regular reports to the Programme and Capital Strategy Board</li> <li>Legal and Monitoring Officer consultation on decisions made</li> <li>Residents' survey completed 2022</li> <li>A we asked ... you said ... we did feedback approach</li> <li>Proactive open and transparent communications</li> </ul>	
CR004	Failure to have plans and processes in place to recover and maintain services after a major incident (including pandemic) that has a significant impact on the ability of the Council to provide its services	Strategic Director and Monitoring Officer (MO) SE	<ul style="list-style-type: none"> <li>Not maintaining an effective corporate wide Business Continuity Plan</li> <li>Not regularly testing the plan and following up learning</li> <li>Key staff</li> </ul>	<ul style="list-style-type: none"> <li>Unacceptable delay and uncertainty in returning to normal working after an emergency</li> <li>Adverse publicity and criticism</li> <li>Reputation damage</li> <li>Adverse social and</li> </ul>		<ul style="list-style-type: none"> <li>Business Continuity Plans reviewed and tested in 2022 and a report due to ELB early 2023.</li> <li>Annual testing of IT Disaster Recovery Plan</li> <li>Critical services</li> </ul>	

Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
			unavailable <ul style="list-style-type: none"> <li>• Communication systems ineffective</li> <li>• Lack of awareness of Business Continuity Plan</li> <li>• Failure to assess business critical functions and have plans in place</li> </ul>	economic impact		identified with individual business continuity plans <ul style="list-style-type: none"> <li>• Back up temporary office accommodation at Hyde Lodge</li> <li>• All staff able to seamlessly work from home, where job allows</li> <li>• 2020 internal audit resulting in substantial opinion and no identified weaknesses</li> </ul>	
CR006	Breakdown of effective partnership working	Strategic Director DA	<ul style="list-style-type: none"> <li>• Partnerships can falter due to lack of shared vision within partnerships</li> <li>• Money spent on Partnership working doesn't add value</li> <li>• Strategic partnerships may falter due to conflicting demands within individual partners</li> <li>• Incorrect application of the procurement regulations due to a</li> </ul>	<ul style="list-style-type: none"> <li>• Significant project delivery such as major projects and new homes building programme could fail due to failure of strategic partnerships</li> <li>• Local delivery could fail if local strategic partners are not aligned</li> <li>• Reputational damage to all partners</li> <li>• Lack of value for money (VfM)</li> </ul>		<ul style="list-style-type: none"> <li>• Annual review by each CHoS of all partnerships undertaken to identify key strategic partners</li> <li>• Annual performance reporting for significant partnerships by CHoS'</li> </ul>	

Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
			misunderstanding as to how and when they apply to partnership working <ul style="list-style-type: none"> <li>Partnerships may be unsuccessfully commissioned due to lack of skills and poor scoping</li> <li>Significant local, regional or national partners may close down, affecting the council</li> </ul>				
CR007	Lack of sufficient funding and/or escalating costs over the medium term reducing financial viability and inability to achieve a balanced budget	Corporate Head of Finance and s151 LK	<ul style="list-style-type: none"> <li>Reduced Government funding</li> <li>Reliance on strategic partners to deliver services and projects</li> <li>Macro economy, including effects of Brexit, reduces locally generated Business Rates and parking income</li> <li>Failure to achieve income targets</li> <li>Inflation rises</li> <li>Penalties are imposed on the Council due to falling standards in</li> </ul>	<ul style="list-style-type: none"> <li>Unable to balance the budget</li> <li>Increased Council Tax</li> <li>Public's ability to pay for services</li> <li>Reduce services provided</li> <li>Demand/cost of services</li> <li>Increased construction costs and impact on delivery and viability of key projects</li> <li>Over borrowing and avoidable cost</li> </ul>	 <p>Likelihood</p> <p>Impact</p>	<ul style="list-style-type: none"> <li>Strategic Budget review mid-year 22/23</li> <li>Internal audit of financial stability offered substantial assurance (Dec 22)</li> <li>One year funding settlement in place</li> <li>MTFS approach setting out medium- and longer-term options</li> <li>Quarterly finance reporting and monitoring of key income sources</li> <li>Regular policy review and monitoring</li> </ul>	 <p>Likelihood</p> <p>Impact</p>

Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
			services <ul style="list-style-type: none"> <li>Impact of a Pandemic</li> </ul>			<ul style="list-style-type: none"> <li>Scenario planning and sensitivity analysis of key risks</li> <li>Transformation programme to set out cost review</li> <li>Maintain General fund reserve of at least £2m</li> <li>Regular review of reserves</li> <li>Annual review of fees and charges</li> </ul>	
CR008	Availability of suitable sites to meet the strategic need for building new homes (HRA)	Strategic Director SH	<ul style="list-style-type: none"> <li>Increasing demand for new houses</li> <li>High cost of housing, including private rented sector</li> <li>Unable to identify new sites for new houses</li> <li>Increasing infrastructure demands on new sites</li> <li>Higher build costs</li> <li>Increasing inflation and interest rates affecting supply</li> </ul>	<ul style="list-style-type: none"> <li>Increased housing waiting list numbers</li> <li>Increasing homelessness</li> <li>Difficulty accessing housing markets</li> <li>Outward migration of younger residents</li> <li>Adverse publicity</li> <li>Government intervention</li> <li>Ability to meet the business plan target which will have a negative effect on income</li> </ul>		<ul style="list-style-type: none"> <li>Plans in place to deliver significant new homes</li> <li>Regular monitoring of projects</li> <li>Revised Housing Strategy</li> <li>Cost benchmarking</li> </ul>	

Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
CR009	Failure in cyber security leaving the council exposed to phishing and other attacks leading to compromised IT systems and data loss	Corporate Head of Finance and s151 LK	<ul style="list-style-type: none"> <li>Malicious attack by Hackers for financial gain</li> <li>Malicious attack by Hackers to disrupt business and ability to deliver services</li> <li>Viral code attack in order to data mine information and identities</li> </ul>	<ul style="list-style-type: none"> <li>Possible complete shutdown of Council IT Systems and Infrastructure</li> <li>Business\service delivery disruption</li> <li>Significant Financial loss</li> <li>Credibility and confidence lost in engaging with digital services and e-payments</li> </ul>		<ul style="list-style-type: none"> <li>Mandatory Cyber Security awareness training held for all staff</li> <li>IT Systems and processes administered to PSN (Public Services Network) standards and protocols</li> <li>ITILv3 Methodology adoption for ITSM</li> <li>Comprehensive and regular reviews of ISP (Information Security Policies) and IT Network Access Policies</li> <li>Operational daily checks and proactive monitoring of Firewalls and pattern updates</li> <li>Staff qualified in Cyber Scheme Professional standards and within GOV UK CESG guidelines</li> <li>Regular system health checks and vulnerability scans</li> <li>System and software maintained</li> </ul>	

Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
						to supported levels. <ul style="list-style-type: none"> <li>Email security managed by accredited 3rd party</li> <li>Insurance for potential losses of a cyber attack</li> <li>Third party review jointly with TVBC will be undertaken early 2023 to see what further actions the councils can pro-actively take to mitigate this risk further</li> </ul>	
CR010	Failure to effectively respond to the Climate Change Emergency and reduce the council and district carbon emissions	Strategic Director DA	<ul style="list-style-type: none"> <li>Failure to achieve target for the council to be carbon neutral by 2024 and the district by 2030</li> <li>Carbon emissions increase</li> <li>Air quality drops</li> <li>Insufficient project capacity in-house</li> </ul>	<ul style="list-style-type: none"> <li>Reputational damage for failing to meet targets</li> <li>Increased risk of flooding - damage to property, disruption to business, health and wellbeing of displaced residents</li> <li>Increased risk of droughts - pressure on river system health, depleted aquifer/reservoir volumes, negative impact upon agriculture, fire risk</li> <li>Extreme heat and</li> </ul>		<ul style="list-style-type: none"> <li>Review of progress against the Winchester Carbon Neutrality Action Plan (CNAP). Currently reviewing the milestone report to determine next actions.</li> <li>Climate Emergency declared</li> <li>Asset Management Plan 2022-2027 adopted by Cabinet Jan 2023</li> <li>Greener Faster is an area of enhanced focus in</li> </ul>	

Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
				cold - health risk for vulnerable people, pressure on emergency and health services <ul style="list-style-type: none"> <li>Protests by lobby groups</li> <li>House price volatility</li> </ul>		the refreshed Council Plan 2023 <ul style="list-style-type: none"> <li>£15mil HRA</li> </ul>	
CR011	Lack of preparedness and incapability to respond to events caused by climate change	Strategic Director DA	<ul style="list-style-type: none"> <li>Failure to prepare for an adverse weather event, for example long period of rain, heavy snow or heatwave</li> <li>Failure to manage sluice gates and maintain rivers</li> <li>Failure to respond to an adverse weather event, e.g. making safe city footpaths and car parks after heavy snow fall</li> </ul>	<ul style="list-style-type: none"> <li>Flooding causing damage to property and assets</li> <li>Loss of income to the council e.g. closed car parks due to snow</li> <li>Adverse publicity</li> <li>Damage to reputation</li> </ul>	<p>Likelihood Impact</p>	<ul style="list-style-type: none"> <li>Multiagency Emergency Response Plan in place, reviewed and updated annually</li> <li>Annual Emergency Planning exercise to test the Plan</li> <li>Completion of flood alleviation schemes</li> <li>Temporary flood defence barrier purchased and available to be used where there is a need</li> </ul>	<p>Likelihood Impact</p>
CR012	Nutrient neutrality - Phosphates	Strategic Director DA and Corporate Head of Planning and Regulatory (EE)	<ul style="list-style-type: none"> <li>Inability for developers to achieve nutrient neutrality specifically related to phosphates will delay housing and delivery of other</li> </ul>	<ul style="list-style-type: none"> <li>Adverse impact on economy</li> <li>Reduction in supply of new homes</li> <li>Inability to maintain a 5-year housing land supply leading</li> </ul>	<p>Likelihood Impact</p>	<ul style="list-style-type: none"> <li>£200k grant funding has been awarded by Government across the affected Solent area and we are currently working with PUSH to identify strategic</li> </ul>	<p>Likelihood Impact</p>

Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
			forms of residential development within the affected area	to unplanned development being permitted <ul style="list-style-type: none"> <li>• Reputational damage</li> </ul>		solutions. <ul style="list-style-type: none"> <li>• A formal project is being established.</li> </ul>	

Winchester City Council



## Equality Impact Assessment Template (EIA)

### Section 1 - Data Checklist

When undertaking an EIA for your policy or project, it is important that you take into consideration everything which is associated with the policy or project that is being assessed.

The checklist below is to help you sense check your policy or project before you move to Section 2.

		Yes/No	Please provide details
1	Have there been any complaints data related to the policy or project you are looking to implement?	No	
2	Have all officers who will be responsible for implementing the policy or project been consulted, and given the opportunity to raise concerns about the way the policy or function has or will be implemented?	Yes	ELB have been consulted.
3	Have previous consultations highlighted any concerns about the policy or project from an equality impact perspective?	No	
4	Do you have any concerns regarding the implementation of this policy or project?  <i>(i.e. Have you completed a self-assessment and action plan for the implementation of your policy or project?)</i>	No	
5	Does any accessible data regarding the area which your work will address identify any areas of concern or potential problems which may impact on your policy or project?	No	
6	Do you have any past experience delivering similar	Yes	This is an annual review of a well-established council policy

		Yes/No	Please provide details
	policies or projects which may inform the implementation of your scheme from an equality impact point of view?		delivering good corporate governance.
7	Are there any other issues that you think will be relevant?	No	

## Section 2 - Your EIA form

<b>Directorate:</b> Corporate	<b>Your Service Area:</b> Resources	<b>Team:</b> Corporate Support	<b>Officer responsible for this assessment:</b> Amy Tranah	<b>Date of assessment:</b> 26/01/2023
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	<b>Question</b>	<b>Please provide details</b>
1	What is the name of the policy or project that is being assessed?	Annual review of the Risk Management Policy 23-24 CAB3381
2	Is this a new or existing policy?	Existing
3	Briefly describe the aim and purpose of this work.	Annual review to ensure the policy is fit for purpose and in-line with best practice
4	What are the associated objectives of this work?	To ensure the council has a robust risk management policy that is aligned to best practice and ensure all risks are identified, assessed and controlled through effective management actions
5	Who is intended to benefit from this work and in what way?	Officers – to ensure there is a clear policy and process to manage risk effectively within their service areas  Members - to ensure there is a clear policy on risk management which can be used in the decision-making process
6	What are the outcomes sought from this work?	Robust risk management
7	What factors/forces could contribute or detract from the outcomes?	A risk management summary in relation to the decision is included in Section 11 of the report
8	Who are the key individuals and organisations responsible for the implementation of this work?	Every council officer is responsible for managing risk in the course of their work. Roles and responsibilities are set out in Section 12 of the policy.
9	Who implements the policy or project and who or what is responsible for it?	Winchester City Council via: <ul style="list-style-type: none"> <li>• Cabinet Member</li> <li>• ELB / senior leadership</li> <li>• All team members</li> </ul>

		Please select your answer in <b>bold</b> . Please provide detail here.		
10a	Could the policy or project have the potential to affect individuals or communities on the basis of race differently in a negative way?	Y	<b>N</b>	The Risk Management Policy 23-24 will not impact individuals or communities on the basis of race differently in a negative way.
10b	What existing evidence (either presumed or otherwise) do you have for this?	Race has no impact on the assessment or management of risk.		
11a	Could the policy or project have the potential to affect individuals or communities on the basis of sex differently in a negative way?	Y	<b>N</b>	The Risk Management Policy 23-24 will not impact individuals or communities on the basis of sex differently in a negative way.
11b	What existing evidence (either presumed or otherwise) do you have for this?	Sex has no impact on the assessment or management of risk.		
12a	<p>Could the policy or project have the potential to affect individuals or communities on the basis of disability differently in a negative way?</p> <p><i>you may wish to consider:</i></p> <ul style="list-style-type: none"> <li>• <i>Physical access</i></li> <li>• <i>Format of information</i></li> <li>• <i>Time of interview or consultation event</i></li> <li>• <i>Personal assistance</i></li> <li>• <i>Interpreter</i></li> <li>• <i>Induction loop system</i></li> <li>• <i>Independent living equipment</i></li> <li>• <i>Content of interview</i></li> </ul>	Y	<b>N</b>	<p>Some disabilities can prove a barrier to accessing important council documents.</p> <p>To reduce this barrier, alternative formats such as large print, plain text, etc. will be made available upon request.</p>
12b	What existing evidence (either presumed or otherwise) do you have for this?	Previous consultations across the council (e.g., the Housing Team's Tenant Satisfaction Survey) found that disability can prove a barrier to accessing important council documents.		
13a	Could the policy or project have the potential to affect individuals or communities on the basis of sexual orientation differently in a negative way?	Y	<b>N</b>	The Risk Management Policy 23-24 will not impact individuals or communities on the basis of sexual orientation differently in a negative way.

13b	What existing evidence (either presumed or otherwise) do you have for this?	Sexual orientation has no impact on the assessment or management of risk.		
14a	Could the policy or project have the potential to affect individuals on the basis of age differently in a negative way?	Y	<b>N</b>	The Risk Management Policy 23-24 will not impact individuals or communities on the basis of age differently in a negative way.
14b	What existing evidence (either presumed or otherwise) do you have for this?	Age has no impact on the assessment or management of risk.		
15a	Could the policy or project have the potential to affect individuals or communities on the basis of religious belief differently in a negative way?	Y	<b>N</b>	The Risk Management Policy 23-24 will not impact individuals or communities on the basis of religious belief differently in a negative way.
15b	What existing evidence (either presumed or otherwise) do you have for this?	Religious belief has no impact on the assessment or management of risk.		
16a	Could this policy or project have the potential to affect individuals on the basis of gender reassignment differently in a negative way?	Y	<b>N</b>	The Risk Management Policy 23-24 will not impact individuals or communities on the basis of gender reassignment differently in a negative way.
16b	What existing evidence (either presumed or otherwise) do you have for this?	Gender reassignment has no impact on the assessment or management of risk.		
17a	Could this policy or project have the potential to affect individuals on the basis of marriage and civil partnership differently in a negative way?	Y	<b>N</b>	The Risk Management Policy 23-24 will not impact individuals or communities on the basis of marriage and civil partnership differently in a negative way.
17b	What existing evidence (either presumed or otherwise) do you have for this?	Marriage and civil partnership has no impact on the assessment or management of risk.		
18a	Could this policy or project have the potential to affect individuals on the basis of pregnancy and maternity differently in a negative way?	Y	<b>N</b>	The Risk Management Policy 23-24 will not impact individuals or communities on the basis of pregnancy and maternity differently in a negative way.
18b	What existing evidence (either presumed or otherwise) do you have	Pregnancy and maternity has no impact on the assessment or		

	for this?	management of risk.
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19	Could any negative impacts that you identified in questions 10a to 15b create the potential for the policy to discriminate against certain groups on the basis of protected characteristics?	Y	N	People with certain disabilities could be negatively impacted if they were unable to read / access the document.									
20	Can this negative impact be justified on the grounds of promoting equality of opportunity for certain groups on the basis of protected characteristics? Please provide your answer opposite against the relevant protected characteristic.	Y	N	<table border="1"> <tr><td>Race: N/A</td></tr> <tr><td>Sex: N/A</td></tr> <tr><td>Disability: No</td></tr> <tr><td>Sexual orientation: N/A</td></tr> <tr><td>Age: N/A</td></tr> <tr><td>Gender reassignment: N/A</td></tr> <tr><td>Pregnancy and maternity: N/A</td></tr> <tr><td>Marriage and civil partnership: N/A</td></tr> <tr><td>Religious belief: N/A</td></tr> </table>	Race: N/A	Sex: N/A	Disability: No	Sexual orientation: N/A	Age: N/A	Gender reassignment: N/A	Pregnancy and maternity: N/A	Marriage and civil partnership: N/A	Religious belief: N/A
Race: N/A													
Sex: N/A													
Disability: No													
Sexual orientation: N/A													
Age: N/A													
Gender reassignment: N/A													
Pregnancy and maternity: N/A													
Marriage and civil partnership: N/A													
Religious belief: N/A													
21	How will you mitigate any potential discrimination that may be brought about by your policy or project that you have identified above?	<p>The following action will be taken to ensure the Risk Management Policy 23-24 is in accordance with the Equality Act and Public Sector Equality Duty:</p> <ul style="list-style-type: none"> <li>• Make it clear that other alternative formats are available such as large print, plain text, etc.</li> </ul>											
22	Do any negative impacts that you have identified above impact on your service plan?	Y	N										

Signed by completing officer	Amy Tranah – Service Lead Corporate Support
Signed by Service Lead or Corporate Head of Service	Liz Keys – Corporate Head of Finance