Report Title:	RBWM Risk Management Report
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Hilton, Cabinet Member for Finance and Ascot
Meeting and Date:	Audit and Governance Committee 17 May 2021
Responsible Officer(s):	Adele Taylor, Director of Resources and Section 151 Officer Andrew Vallance, Head of Finance and Deputy Section 151 Officer
Wards affected:	All

REPORT SUMMARY

1. This report sets out how satisfactory risk management is in place for RBWM as part of its governance arrangements.
2. It includes:
   - the key strategic risks and how they are monitored and managed.
   - RBWM's "approach to management of risk 1 April 2021 – 31 March 2022" which describes the application of risk management techniques in the council's operational and decision making processes.

1.   DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That the Audit and Governance Committee notes the report.

2.   REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

Options

Table 1: Options arising from this report

Option	Comments
To note this report. **This is the recommended option.**	The Council is required to publish an annual governance statement in which a central requirement is to demonstrate how it manages risk.
Not note this report. This is not recommended.	Without a risk management framework the council may be exposed to the impact of unnecessary levels of risk or insufficient awareness of risks.

2.1   Risk management is a governance process open to scrutiny from councillors and the public at RBWM's Audit and Governance Committee meetings.

2.2   Making sound use of risk management processes supports good strategy setting, operational performance and effective service delivery to residents.

2.3   The purpose of risk analysis is to help all decision-makers get a better understanding of a realistic array of possibilities, what drives the associated uncertainty and hence where efforts can be best concentrated to manage this uncertainty.

2.4   The corporate risk register records the risks relating to RBWM's strategic and operational objectives. The risk registers are appropriate at the point in time at which they are produced and require consideration to be given to a broad range of potential risks and outcomes Anything that could inhibit the way in which such risks are expressed would weaken the quality of decision making when determining the most appropriate response to a risk.

2.5   Risks potentially carrying the most damaging impacts on our measurement scale are classified as key risks. However, the inclusion of risks within any level of risk register does not mean there is an immediate problem but instead it signifies that officers are aware of potential risks and have devised strategies for the implementation of any relevant mitigating controls.

2.6   Appendix A contains a current summary of the key risks. These risks were last presented to Members at the meeting of the Audit and Governance Committee on 9th November 2020. Since that report three key risks have been removed:

        2.6.1   **Council Tax billing not accurate/on time** - Officers are satisfied that sufficient controls are now in place and operating correctly after problems in this area in the past.

        2.6.2   **Delayed hospital transfers** - With the pandemic, there has been a move away from punitive approaches to delayed discharges. All the controls are in place for integrated and collaborative discharge arrangements.

        2.6.3   **Brexit implications** - The impacts here will be economic so these will be captured in the various risk assessments specific to service activity (where this is a significant factor).

2.7   Members are regularly notified of the key risks where named as the risk owner usually as part of Cabinet Member briefings. Officer risk owners are tasked with ensuring that any comments by Members are reflected in the assessment.

2.8   Risk reports are reviewed and debated by senior management. This gives the opportunity for challenge and discussion. If any risks are of such low impact that there is no good reason to continue including them in these discussions, then they are removed from the key risk register. Similarly, this is a timely moment to incorporate new risks into this governance structure.

3. KEY IMPLICATIONS

Table 2: Key Implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Lead officers and Members are engaged in quarterly risk reviews of the risk register - the nature of the threat and the progress on mitigations.	Risks are left without officer or Member attention.	Quarterly reviews.	Risks are reviewed more frequently than quarterly.	None.	Ongoing by quarterly review.
Officers and Members make strategic, operational and investment decisions around projects with the risks in mind.	Risks are left without officer or Member attention.	Monthly reviews.	Risks are reviewed more frequently than monthly.	None.	Ongoing until conclusion as part of project management.

4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 There are no direct financial implications arising from this report. Risk owners need to consider any resource implications when devising their mitigation strategies.

5. LEGAL IMPLICATIONS

5.1 There are potential legal implications should a risk occur to the council is not prepared for. The purpose of risk management is to provide awareness of these so that management can make a risk based judgement.

5.2 The council must comply with Regulation 6 (2) of the Accounts and Audit Regulations 2015 by publishing an Annual Governance Statement which demonstrates how it manages risk.

6. RISK MANAGEMENT

Table 3: Impact of risk and mitigation

Risks	Uncontrolled risk	Controls	Controlled risk
The council fails to make good use of risk management processes. Management and Members have insufficient awareness of those risks which carry the potential to severely damage the organisation and affect residents. Risk register ref: IRM0003	HIGH	• Risks are reviewed by risk owners, the senior management team and members. • The Audit and Governance Committee provides a mechanism for examination of the process.	LOW

7. POTENTIAL IMPACTS

7.1 Equalities. None directly although some individual risks may contain obligations that need to be considered.

7.2 Climate change/sustainability. None directly although some individual risks may contain associated obligations.

7.3 Data Protection/GDPR. None directly although some individual risks may contain obligations.

8. CONSULTATION

8.1 This issue was last presented to the Audit and Governance Committee on 9th November 2020. Consultations take place with the former Corporate Overview and Scrutiny Panel, directors' forum, heads of service, directorate management teams and the shared audit and investigation service.

9. APPENDICES

9.1 This report is supported by three appendices:

- A – heat map showing assessment of current key risk impact/likelihoods
- B – detail supporting the key strategic risk element of appendix A.
- C - approach to management of risk 1 April 21 – 31 March 22. This document has three appendices:

- 1 – impact/likelihood scoring criteria.
- 2 – risk classifications.
- 3 – risk appetite definitions.

10. BACKGROUND DOCUMENTS

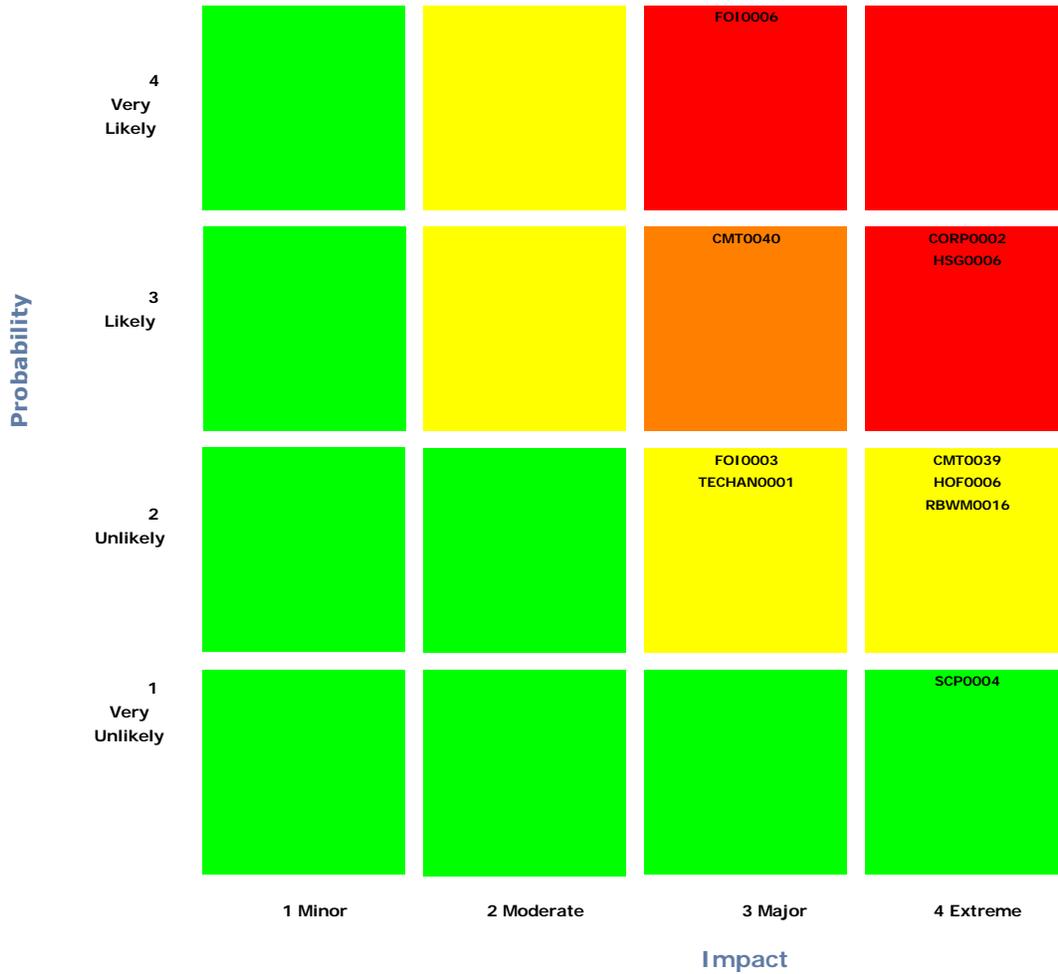10.1 This report is not supported by any background documents.

11. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Hilton	Cabinet Member for Finance and Ascot	05/5/21	06/05/21
Duncan Sharkey	Chief Executive	05/5/21	06/05/01
Adele Taylor	Director of Resources/S151 Officer	23/4/21	04/05/21
Andrew Durrant	Director of Place	05/5/21	
Kevin McDaniel	Director of Children's Services	05/5/21	
Hilary Hall	Director of Adults, Health and Commissioning	05/5/21	06/05/21
Andrew Vallance	Head of Finance	23/4/21	
Elaine Browne	Head of Law	05/5/21	
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	05/5/21	05/05/21
Nikki Craig	Head of HR Corporate Projects and IT	05/5/21	05/05/21
Louisa Dean	Communications	05/5/21	
Karen Shepherd	Head of Governance	05/5/21	

REPORT HISTORY

Decision type:	Urgency item?	To follow item?
For information	No	No

Report Author: Steve Mappley, insurance and risk manager 01628 796202

Appendix A - current key strategic risks

Probability

	1 Minor	2 Moderate	3 Major	4 Extreme
4 Very Likely			FOI0006	
3 Likely			CMT0040	CORP0002 HSG0006
2 Unlikely			FOI0003 TECHAN0001	CMT0039 HOF0006 RBWM0016
1 Very Unlikely				SCP0004

Impact

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
12	CORP0002	1. There is a risk that we do not get the capital receipts we are anticipating to fund the various schemes we are using borrowing to initially progress. 2. Changes in the economy, particularly influenced by Covid-19, could affect the benefits that can be realised e.g. a loss of consumer confidence and rising build costs would affect the financial viability of schemes and could result in stalled development. 3. Ensuring effective join up of sites and infrastructure delivery. Projects could be stalled, if land receipts are to be maintained, and economic recovery anticipated.	RBWM Property Co. Ltd	22/05/2021

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
12	FOI0006	Statutory breach arising from non-compliance with the Data Protection Act 2018 and the UK General Data Protection Regulation 2016 leads to reputation damage e.g. naming and shaming and fines potentially up to €20m (that level of fine is unlikely to be applied to a local authority although low 6 figure fines from the ICO in that regard have occurred) as well as legal action costs following judicial remedies.

Where data is received from the EU/EEA and no adequacy status is granted by the European Commission by mid-2021, the UK will need to rely on standard contractual clauses or binding corporate rules in order to continue processing personal data received from the EU/EEA. This is the reason behind the current "high" rating assessment.. Where adequacy status is granted to the UK, all data processing with the EU/EEA will continue as it did before EU withdrawal. Despite a trade deal being agreed, adequacy status is not a given.

Non-compliance can only be identified if a breach actually occurs. The type of information breach is key - only if significant harm is likely to arise from the breach are fines expected to be punitive.

Regulators can also issue enforcement action in the form of temporary or permanent bans on processing.

Confidence level in accuracy of current risk assessment: medium. | Karen Shepherd | 07/05/2021 |
| 12 | HSG0006 | 1. Lack of early planning in children's services potentially leads to children and young people with high needs who will need to transition to adult services not being identified and their costs are not built into future planning/Medium Term Financial Strategy.

2. Lack of a sufficient accommodation and supported employment offer locally leads to young people being placed out of borough in expensive placements leading to higher costs and loss of contact with their local communities.
The potential cost of transitions in 21-22 is £1.14M based on current placements in children's services and the likely cohort of young people who may transition. | Hilary Hall and Kevin McDaniel | 27/10/2021 |
| 9 | CMT0040 | Insufficient local community resilience which could lead to residents being without the necessary assistance and increased financial impact on RBWM should a critical event occur.

Underdeveloped and untested business continuity planning may reduce the ability of the council to provide critical functions in the event of emergency situation.. Covid has tested all sorts of BCP, and we have responded well to this pandemic emergency challenge.. | David Scott | 01/05/2021 |
| 8 | CMT0039 | The UK is facing threats and not just from groups inspired by al Qaida e.g, far right extremists, disenfranchised groups. There is the risk of security and community problems putting residents and visitors at risk of personal injury arising from the actions and behaviour of such groups, particularly in the area around Windsor. This is due to the high volume of visitors, the military and ceremonial links to the town centre and castle as well as being under the flight path.

Clause 26 of the Counter Terrorism and Security Act requires LAs to establish panels (in RBWM's case, the Channel Panel) to assess the extent to which identified individuals are 'vulnerable to being drawn into terrorism'. | David Scott | 01/05/2021 |

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
8	HOF0006	Historically, the council's financial strategy has not been effective in dealing with pressures. The CIPFA action plan along with a robust MTFS and improved budget management (as detailed in the last two budgets) have stabilised matters. Addressing the impact of several years of low CTax bills is a concern. It is expected the council should soon be in a position to boost its reserves. Confidence level: highly dependent on progress on the COVID-19 pandemic. Timescale: as at spring 2021, our aim is that within 2-3 years the impact of our mitigations will result in sufficient resilience.	Andrew Vallance	27/07/2021
8	RBWM0016	The novel coronavirus (COVID 19) outbreak was declared a Public Health Emergency of International Concern in January 2020 and a pandemic in March 2020. It presents a significant challenge for the country and local authorities. There is not a single area of local government that is not affected by the COVID 19 pandemic so a separate risk register details the works being done in this area. Note the current risk rating and appetite metrics will vary depending on the area of impact. Thus the values depicted here should be read with that in mind. The council's response to the COVID emergency is testament to the robustness of the Council's emergency planning.	CLT	
6	FOI0003	(a) Serious external security breaches, (b) data loss or damage to data caused by inadequate information security leads to delays and errors in business processes.	Nikki Craig	30/05/2021
6	TECHAN0001	If there is an IT infrastructure failure i.e. data storage infrastructure, systems access or total loss of council data centre then this could affect the ability of RBWM to function normally. Details are within the IT risk register of which this is a summary. Causes: External cyber threats e.g. distributed denial of service (DDOS) attacks. Loss/damage/denial of access to primary, secondary or hosted data centres. Accidental or deliberate loss of data or physical/logical failure to disk drive. Lapse of accreditation to Public Services Network. Physical or virtual server corruption or failure. This could lead to: - increased costs of downtime in the event of insufficient back up - expensive emergency service to rectify at short notice.	Nikki Craig	23/07/2021
4	SCP0004	Council owned companies or major contractors delivering statutory and discretionary services on behalf of the council fail and/or go out of business as a result of increased demand or poor performance. Leads to: - Statutory services for children and adults not delivered. - Resident facing community services, such as highways or waste collection, not delivered. - Reputational damage to the council. - Potential risks to public health. - Vulnerable adults and children may be left more at risk. - Problems in maintaining the streetscene to a safe level leading to highways injuries/claims against the statutory highway authority.	Hilary Hall	12/06/2021

Report Selection Criteria

THE ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
FOI0006　　**Data protection** Statutory breach arising from non-compliance with the Data Protection Act 2018 and the UK General Data Protection Regulation 2016 leads to reputation damage e.g. naming and shaming and fines potentially up to €20m (that level of fine is unlikely to be applied to a local authority although low 6 figure fines from the ICO in that regard have occurred) as well as legal action costs following judicial remedies. Where data is received from the EU/EEA and no adequacy status is granted by the European Commission by mid-2021, the UK will need to rely on standard contractual clauses or binding corporate rules in order to continue processing personal data received from the EU/EEA. This is the reason behind the current "high" rating assessment. Where adequacy status is granted to the UK, all data processing with the EU/EEA will continue as it did before EU withdrawal. Despite a trade deal being agreed, adequacy status is not a given. Non-compliance can only be identified if a breach actually occurs. The type of information breach is key - only if significant harm is likely to arise from the breach are fines expected to be punitive. Regulators can also issue enforcement action in the form of temporary or permanent bans on processing. Confidence level in accuracy of current risk assessment: medium. DPA requirements are: 1. Process fairly and lawfully. 2. Use only for the purposes it was originally obtained. 3. Ensure it is adequate, relevant and not excessive for the purposes for which it's processed. 4. Ensure it's accurate and up to date. 5. Retain only for the time period required to meet the organisation's reasonable requirements. 6. Process in accordance with rights of data subjects. 7. Adopt appropriate technical and organisational measures against unauthorised or unlawful processing and against accidental loss, damage or destruction of data. Where the UK sends data to a non-EEA country, UK GDPR rules apply and standard contractual clauses should be used. The UK GDPR takes effect from 1 January 2021. This is, in essence, the UK version of the existing EU GDPR which continues to apply to the rest of the European Union and has been modified to reflect the UK-specific context.	1. Update and keep maintained the corporate register of processing activities as per article 30 of GDPR. 2. Services are responsible for ensuring their own policies align to the UK Data Protection Act 2018 and the UK GDPR. 3. Reviewed information assets. Continuing development of the information asset register and updating entries by info asset owners 4. Officers required to undertake annual GDPR online training. 5. SIRO and DPO attended a one day SIRO training course 05/02/2020. 6. Online form to enable staff to easily and quickly report data security breaches. 7. Security induction and annual training procedure embedded in HR procedures and the appraisal process. 8. All RBWM-issued mobile devices are controlled by our mobile device management solution, Microsoft InTune. 9. Review all partnership agreements and determine the information sharing arrangements, updating as necessary. 10. Optalis and AfC data sharing and handling arrangements in place and part of contract management with major partners. 11. DPO and SIRO meet monthly to discuss any breaches and where necessary identify issues to be raised at CLT (by the SIRO).	12 High 6 - Medium Low	1. Service areas arrange to update processor/controller contracts with SCCs/BCRs before 6/21 should EU not grant adequacy status. 2. Services to ensure they have complete registers of their held data at Iron Mountain guided by applicable retention schedule. 3. Establish with SIRO how the file categorisation at Iron Mountain can be improved so that data is not held unnecessarily. 4. Members: low uptake for online GDPR training. Now mandatory with reminders sent and completion list maintained by group leaders. 5. Further develop service's privacy notices to ensure uniformity.	Reviewed by Suzanne Martin 07/01/21. Amended DPA requirements to reflect leaving the EU.	Cllr Rayner Karen Shepherd

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
	12. Services are responsible for complying with applicable statutory retention timescales in their information asset registers. 13. GDPR - data protection risk overview reviewed monthly by DPO and SIRO. The contents are aligned to GDPR Articles and RAG rated. 14. Reporting of any partner org data breaches is a regular reporting item to the monthly operational commissioning board meetings. 15. Appointed a data protection officer (DPO) plus deputy to support. Updated DP Policy to include DPO as a mandatory role.				
HSG0006 **Inadequate strategic planning between children's services, adults and health.** 1. Lack of early planning in children's services potentially leads to children and young people with high needs who will need to transition to adult services not being identified and their costs are not built into future planning/Medium Term Financial Strategy. 2. Lack of a sufficient accommodation and supported employment offer locally leads to young people being placed out of borough in expensive placements leading to higher costs and loss of contact with their local communities. The potential cost of transitions in 2020-21 is £1.14M based on current placements in children's services and the likely cohort of children who may transition. The Children and Health Care Act 2014 contains requirement for education, health and care plans for 16-25 year olds. Inadequate cost effective placements along with the council being able to manage the expectations of children and young people, families, users of self directed support and personal budgets may compound this. There is likely to be a cohort of children who won't receive a comparable service in adulthood because their needs aren't eligible for any adult care service.	1. Transitions action plan and strategy in line with NDTi recommendations agreed. 2. Plan and manage transitions by good operational working between adults and children's services. 3. Implementation of robust management controls in Optalis to manage funding packages and spend through weekly panel. 4. Increase collaborative working in East Berks. Supportive care pathway tiers defined primarily on customer risk and need. 5. Children's services to plan for the young people transferring so high cost issues are known a number of years ahead of t/f date. 6. Allocated transitions worker based in CTPLD (arises from IMR transitions case action plan) and adult social worker in CYPDS.	12 High 6 - Medium Low	1. Transitions transformation prog. implemented from Sept 20 for local officer of accommodation & supported employment (Apr 22). 2. Transitions transformation programme implemented from September 2020 to improve joint processes (implement September 2021) 3. Transitions transformation programme implemented from September 2020 to improve planning and joint working (implement Sept 21).	Reviewed at management team 27/04/21. Minor changes to o/s delivery dates.	Cllr Carroll Hilary Hall and Kevin McDaniel

Risk Ref	Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
CORP0002	**Maidenhead regeneration programme fails to deliver expected benefits.** 1. There is a risk that we do not get the capital receipts we are anticipating to fund the various schemes we are using borrowing to initially progress. 2. Changes in the economy, particularly influenced by Covid-19, could affect the benefits that can be realised e.g. a loss of consumer confidence and rising build costs would affect the financial viability of schemes and could result in stalled development. 3. Ensuring effective join up of sites and infrastructure delivery. Projects could be stalled, if land receipts are to be maintained, and economic recovery anticipated.	1. Summary details of the Prop Co's risk register go into a half yearly update to cabinet on their performance. 2. Prop co's risk register is specific to all risk associated with regeneration and capital development programme projects. 3. Risk of build cost inflation/market value decreases is born by the JV Development Partner and fixed at Pre-Construction stage. 4. Prop co risk register reviewed quarterly by its board and shared with RBWM 's risk manager.	12 High 8 - Medium	None	Reviewed 22/02/21 by BR. No changes.	Cllr Johnson RBWM Property Company Ltd
CMT0040	**Fail to protect residents should an emergency incident occur** Insufficient local community resilience which could lead to residents being without the necessary assistance and increased financial impact on RBWM should a critical event occur. Underdeveloped and untested business continuity planning may reduce the ability of the council to provide critical functions in the event of emergency situation. COVID has tested all sorts of BCP, and we have responded well to this pandemic emergency challenge. There is also the impact on RBWM from failures in our links with external networks and supply chains e.g. impact of local or global political unrest, any failure in the integrity for gas/electric/other utilities on which the council relies esp. re: vulnerable people.	1. Improve pool of EP silver or gold leaders. 2. The last review at CLT of BCP was 23 September 2020 3. Inter authority agreement in relation to JEPU in place (RBWM, WBDC and BFBC) to provide resilience with experts in the field. 4. Waste suppliers have confirmed their processes and arrangements in the event of severe weather. 5. Ensure sufficient resilience for IT systems/backups in emergencies for the 24/7 control room or EOC. 6. Residential care homes have temporary alternative accommodation plans for vulnerable adults for use in emergency situations. 7. The need for contractors to have BCPs in place is part of the commissioning and contracting process (but no testing process).	9 Medium/High 6 - Medium Low	1. Progress an action plan for improving resilience by way of developing training plans on a regular routine way based on risk. 2. Service BCPs continuing development. Original timeline disrupted by the pandemic but this proved helpful to stress test the BCPs. 3. Develop an action plan to get our emergency response back into business as usual. 4. An effective means of testing plans is being put in place including, where possible, our key contractors. 5. Training package to upskill those responsible in services to undertake the work, including CLT, commencing 20/21. 6. Develop and support community-based EP's in conjunction with parish councils working in propriety order with communities.	Reviewed by DVS 12/10/20 and controls updated.	Cllr Cannon David Scott

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
	8. The new generator at Tinkers Lane is extended to provide wider back up to support greater emergency use of the depot.				
HOF0006 **Effectiveness of the council's financial strategy** Historically, the council's financial strategy has not been effective in dealing with pressures. The CIPFA action plan along with a robust MTFS and improved budget management (as detailed in the last two budgets) have stabilised matters. Addressing the impact of several years of low CTax bills is a concern. It is expected the council should soon be in a position to boost its reserves. Confidence level: highly dependent on progress on the COVID-19 pandemic. Timescale: as at spring 2021, our aim is that within 2-3 years the impact of our mitigations will result in sufficient resilience. Detail: - COVID pressures; - service pressures cannot be controlled or mitigated; - reduction in income due to recession - fees/charges/interest/severe income disparity across the borough; - savings plans not achieved; - cost of demand led services rises significantly beyond expectation; - reduced resilience for services meeting strategic challenges (for instance, demographic pressures; - increased number of child referrals and child specific placements.	1. Robust MTFS in place. Next update due June 2021. 2. Director of resources' annual assessment of the need to retain reserves based on the key risk register financial exposures. 3. Budget manager bi-monthly forecasts proving effective and reported to cabinet alongside the finance adjusted forecast figure. 4. Finance management has a closely monitored corporate savings tracker noted monthly at CLT and reported bi monthly to Cabinet. 5. Implement and monitor the action plan on the outstanding issues arising from the CIPFA report, reported to corporate O&S panel. 6. Increased focus on monitoring debt recovery programme.	8 Medium 4 - Low	1. Continue to make improvements to budget build and review scope for business partner arrangements.	Reviewed by AV 27/04/21. Reworded threat detail and revised/updated mitigations to reflect work on MTFS.	Cllr Hilton Andrew Vallance

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
RBWM0016 **Covid 19 response** The novel coronavirus (COVID 19) outbreak was declared a Public Health Emergency of International Concern in January 2020 and a pandemic in March 2020. It presents a significant challenge for the country and local authorities. There is not a single area of local government that is not affected by the COVID 19 pandemic so a separate risk register details the works being done in this area. Note, the current risk rating and appetite metrics will vary depending on the area of impact. Thus the values depicted here should be read with that in mind. The council's response to the COVID emergency is testament to the robustness of the Council's emergency planning.	1. RBWM Outbreak Control Plan.	8 Medium 4 - Low	1. There is an extensive risk register in support of the controls and detailed threats (contents deemed a Part 2 reporting matter).		CLT
CMT0039 **Security** The UK is facing threats and not just from groups inspired by al Qaida e.g, far right extremists, disenfranchised groups. There is the risk of security and community problems putting residents and visitors at risk of personal injury arising from the actions and behaviour of such groups, particularly in the area around Windsor. This is due to the high volume of visitors, the military and ceremonial links to the town centre and castle as well as being under the flight path. Clause 26 of the Counter Terrorism and Security Act requires LAs to establish panels (in RBWM's case, the Channel Panel) to assess the extent to which identified individuals are 'vulnerable to being drawn into terrorism'. The council is at the heart of building a safe, secure and cohesive community. It has responsibilities as community representative and as local leader to help ensure public safety, to help people feel confident and get along well together, to protect the vulnerable and to limit harmful behaviours If police/security services share an honest risk assessment with the council, it may have negative impacts for the locality. Conversely, if a candid assessment is not provided, then the council may fail to see the need for any particular action. A key part of the government's counter-terrorism strategy is called Prevent. It is a programme aimed at stopping more people getting drawn towards violent extremism.	1. Permanent, integrated hostile vehicle mitigation measures in Windsor to ensure the safety of residents, phase 1a complete. 2. Counter Terrorism Local Profile used to help inform and shape our local understanding of threat levels/risks and thus plans. 3. Evacuation plan for Windsor in place. 4. Community safety partnership strategy and action plan in place, updated annually. 5. Channel Panel and Prevent Delivery Board meet regularly and membership has been updated. 6. Update reports from DVS to the CLT on Channel arrangements and Prevent provided annually to the CLT. 7. Close partnership working with police and military to share intelligence and ensure risks are reduced.	8 Medium 8 - Medium	None	Reviewed by DVS 12/10/20. Controls updated incl. new national Guidance for how Channel operates being published in Nov 20	Cllr Cannon David Scott

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
	8. TOR for Channel Panel, (administered and chaired by DVS) who assess risk and decide on support packages, refreshed in 18/19. 9. RBWM works closely with the One Borough group to build and maintain public inter-faith confidence in preventing all extremism.				
SCP0004 Failure of service provision Council owned companies or major contractors delivering statutory and discretionary services on behalf of the council fail and/or go out of business as a result of increased demand or poor performance. Leads to: - Statutory services for children and adults not delivered. - Resident facing community services, such as highways or waste collection, not delivered. - Reputational damage to the council. - Potential risks to public health. - Vulnerable adults and children may be left more at risk. - Problems in maintaining the streetscene to a safe level leading to highways injuries/claims against the statutory highway authority.	1. Robust governance arrangements at Member and officer levels in place and operating. 2. Escalations, including financial penalties and "step in" procedures, in place for all contracts with clear triggers identified. 3. Make HMMP risk based as per 2018 Code of Practice to show our rationale in case of legal challenge. Complete but not published. 4. Identified contract managers in place. 5. Road categorisation project woven into HMMP. 6. Change control mechanisms in place across all contracts. 7. Tight contract monitoring - quarterly and monthly contract meetings. 8. Exit clauses/strategies negotiated and in place across all contracts. 9. Clear vision and business plans for all companies, aligned to the Council Plan. 10. Performance dashboard of key service and financial indicators - reviewed monthly and quarterly.	4 Low 4 - Low	None	Reviewed by HH 12/02/21 - no changes.	Cllr Coppinger Cllr Carroll Cllr Stimson Cllr Clark and Cllr Cannon Hilary Hall

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
TECHAN0 001 **IT Infrastructure failure** If there is an IT infrastructure failure i.e. data storage infrastructure, systems access or total loss of council data centre then this could affect the ability of RBWM to function normally. Details are within the IT risk register of which this is a summary. Causes: External cyber threats e.g. distributed denial of service (DDOS) attacks. Loss/damage/denial of access to primary, secondary or hosted data centres. Accidental or deliberate loss of data or physical/logical failure to disk drive. Lapse of accreditation to Public Services Network. Physical or virtual server corruption or failure. This could lead to: - increased costs of downtime in the event of insufficient back up - expensive emergency service to rectify at short notice.	1. Multiple data centres provides increased resilience. 2. £900k investment in modern workplace project phase 1. Completed March 2020. 3. Line of business systems hosted either on local servers or on remote cloud-hosted servers. 4. Council networks are protected by multiple security layers using firewall and other control technologies. 5. Physical Infrastructure controls - access controls, remote access capability, environmental monitoring, generator and UPS. 6. DDOS protection in place. 7. Phase 2 of modern workplace project concluded 8. Disk drives are configured to use RAID technology. 9. Council external website is hosted internally in the Cloud (Louisa Dean is control owner). 10. Switch replacement and diversely routed networks. External network links supplied and supported by tier one UK network suppliers	6 Medium/Low 4 - Low	1. Business Continuity/Disaster Recovery. All services' IT usage is understood. Next steps in hands of the BCP shared service.	Reviewed by NC at resources DMT 21/04/21. Only BCP remains as an o/s control.	Cllr Rayner Nikki Craig

Risk Ref Headline Details	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
FOI0003 **IT security breach** (a) Serious external security breaches, (b) data loss or damage to data caused by inadequate information security leads to delays and errors in business processes.	1. Security awareness of officers and external service providers who use our IT. 2. Secure remote working with computers, encrypted area for sensitive laptop data. 3. Develop, publish and communicate information security policies. 4. Audit use of all Council laptops and obtain management authorisation for their use. 5. DPO/SIRO to check and take action when inappropriate external transmissions of data are reported. 6. Mandatory annual security induction and training procedure embedded in HR procedures and the appraisal process. 7. All security breaches are investigated. Intel shared with organisational development team to weave into future learning. 8. Disposal of confidential waste papers. Specific bins are in place to ensure such waste is locked and secure at all times. 9. Exchange of data and information with other organisations. Policies, procedures and declarations available to increase security. 10. HR complete ICT change form when an employee leaves - triggers responses by system owners to close off access. 11. Implement a robust exit strategy with accountabilities when staff leave the organisation or return surplus IT equipment..	6 Medium/Low 8 - Medium	None	Reviewed by Nikki Craig, Simon Arthur and Rebecca Stafford 18/01/21. Updated incomplete mitigations.	Cllr Rayner Nikki Craig

Royal Borough Windsor and Maidenhead
Approach to Management of Risk
1 April 2021 – 31 March 2022

Date: 1 April 2021

"Building a borough for everyone – where residents and businesses grow, with opportunities for all"

Our vision is underpinned by six priorities:

Healthy, skilled and independent residents

Growing economy, affordable housing

Safe and vibrant communities

Attractive and well-connected borough

An excellent customer experience

Well-managed resources delivering value for money

Contents

1. INTRODUCTION

1.1 This document sets out the working definitions of risks and issues and how RBWM approaches risk management.

Definition

1.2 Risk is defined as "the chance of something happening which may have an impact on the achievement of an organisation's objectives".

1.3 Risk management is defined as "the culture, processes and structure that are directed towards effective management of potential opportunities and threats to the organisation achieving its objectives".

1.4 An issue is defined as an event that is happening right now or has already happened. There is the possibility for a risk to turn into an issue when it is realised.

1.5 The difference between a risk and an issue is one of timing. The risk event is a future event so the task is to assess its probability, its proximity and estimate the impact that would be caused if it did occur. An issue event has already happened so there is no need to assess its probability - what must be considered is the impact and whatever reaction is required to deal with it.

Risk

1.6 RBWM's approach to risk management stems from the Alarm[1]/Airmic[2]/IRM[3] enterprise risk management approach also adopted by FERMA[4].

1.7 Risk is a normal part of business. The understanding and management of risks is an integral part of the RBWM corporate governance framework.

1.8 RBWM employees will adopt a consistent and systematic approach to managing risk. The management of risk is a responsibility of all senior managers in the council. It is important that the identification of risks is timely to support effective service delivery.

1.9 RBWM manages specific project work through a stand-alone system where the risk assessment methodology is scaled to the project under consideration.

1.10 Risks relating to health and safety are addressed through a separate policy[5].

1.8 How successful RBWM is in dealing with the risks it faces can have a major impact on the achievement of the council's strategic priorities. When management of risk goes well it often remains unnoticed. When it fails the consequences can be significant and high profile, for example, inefficient use of or wasted resources,

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[1] Alarm is the primary voice for public sector risk management in the UK.
[2] Airmic promotes the interests of insurance buyers and those involved in enterprise risk management.
[3] The IRM (Institute of Risk Management) provides risk management related education.
[4] The Federation of European Risk Management Association.
[5] https://rbwm.sharepoint.com/sites/intranet/our-council/health-and-safety

financial loss, service disruption, adverse publicity, litigation or failure to meet objectives. Hence the need for effective risk management.

2. THE COUNCIL'S 2021/22 RISK MANAGEMENT POLICY

2.1 This policy is fundamental to the council being less risk averse i.e. accepting greater levels of risk. Successful organisations are not afraid to take risks; unsuccessful organisations take risks without understanding them.

2.2 The objective of risk management is not to eliminate all possible risks - that is not possible – but to recognise risks and deal with them appropriately. Underpinning the implementation of the council's risk management strategy are the following principles:

- The **informed acceptance** of risk is essential to good business strategy.
- Risk management is an effective means to enhance and **protect the council**.
- **Common definition and understanding** of risks is necessary in order to better manage those risks and make more consistent and informed business decisions.
- Management of risk is an **anticipatory, proactive** process.
- All risks are to be **identified, assessed, measured, monitored** and reported on in accordance with this strategy.
- Officers will **ensure cabinet members are aware** of all key risks in a timely way.

2.3 Consequently, staff will need to understand the nature of the risks in their areas and systematically identify, analyse, assess, treat, monitor and review those risks.

2.4 Risk management encompasses both external and internal influences.

External influences

2.5 Risk management is an important element of corporate governance. The council must demonstrate that it complies with regulations[6] in relation to the publication of an annual governance statement[7]. One of its core principles is a requirement for RBWM to demonstrate how it manages risk and ensure that it has a system of controls that mitigate those risks that may affect the achievement of its objectives.

2.6 CIPFA[8] in their 2018 publication "audit committees – practical guidance for local authorities and police" emphasise that a core function of the audit committee is to review the effectiveness of the risk management arrangements. This role is fulfilled by the remit of RBWM's Audit and Governance Committee.

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[6] Regulation 6 of the Accounts and Audit Regulations 2015. The council's financial management arrangements similarly conform to the governance requirements set out in CIPFA's 'the role of the chief financial officer' (2016).
[7] The latest governance statement covering 18/19 was signed off in November 2019.
[8] "Chartered Institute of Public Finance and Accountancy". The only UK professional accounting body that specialises in the public sector.

Internal influences

2.7 The council's risk register draws together all the potential consequences of failing to deliver service and strategic objectives. It identifies the relative importance of these potential problems and assigns responsibilities for attempting to reduce the likelihood and/or impact to the preferred risk appetite if they do occur.

2.8 The terms of reference of the Audit and Governance Committee[9] are specific to their responsibilities for ensuring that the key risks are properly assessed and managed and for their approving the annual risk management strategy.

2.9 Including specific risk management commentaries as part of reports to members and corporate leadership team ensures that any risks inherent in a decision or situation are more noticeable and hence subject to improved scrutiny. The report template requires writers to reference any relevant risks from the corporate risk register.

2.10 Risk management therefore requires:
- A consistent management framework on how best to manage risk.
- Risk being everyone's business. All staff must be competent in and accountable for managing risk within their area of responsibility.
- Relevant legislative requirements and political, social, environmental and economic environments to be considered in managing risk.
- Good quality information.

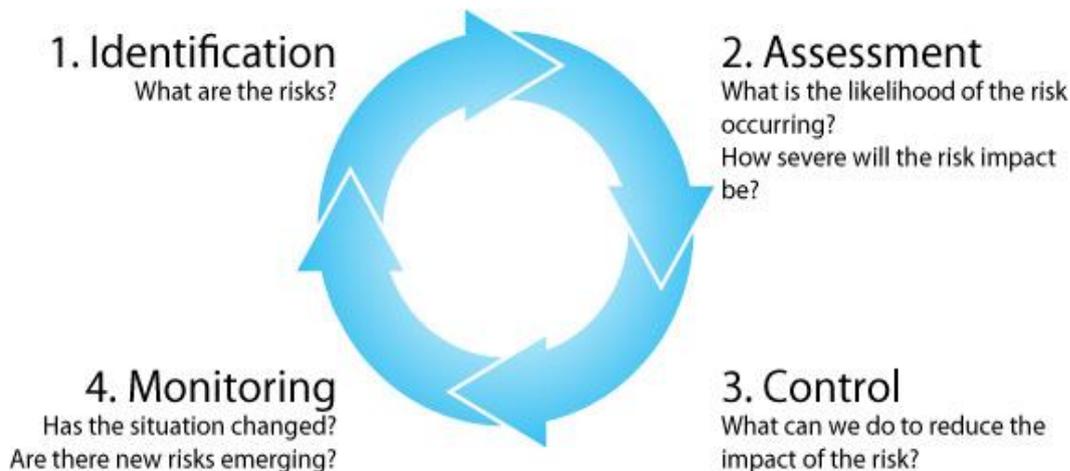## 3. RISK MANAGEMENT FRAMEWORK AIMS AND OBJECTIVES 2021/22

3.1 The risk management framework aims to achieve an environment in 2021/22 where risk management becomes an integral part of strategy, management processes and the general culture.

3.2 It will achieve this through implementing the following objectives:

- Assessment of the challenges faced by the council, through improved decision-making and targeted risk mitigation and control.
- Implementing transparent and responsible risk management processes, which align with accepted best practice.
- Minimising risk to customers who use council owned/operated assets.
- Providing a sound basis for the corporate risk financing strategy.
- Detailing the justification of the level of balances held as reserves in each year's budget report.
- Providing suitable training to officers and elected members.

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[9] B11 in the RBWM Constitution.

4. RISK MANAGEMENT PROCESS

4.1   The approach to risk management in RBWM follows a four-stage process, see diagram 1. Each service area is assessed, by the relevant manager, against the process and a judgement drawn on the level of risk.

Diagram 1: Four stage process

1. Identification
What are the risks?

2. Assessment
What is the likelihood of the risk occurring?
How severe will the risk impact be?

4. Monitoring
Has the situation changed?
Are there new risks emerging?

3. Control
What can we do to reduce the impact of the risk?

Stage 1: Identify those circumstances – risks – that might prevent service/team/decision objectives being reached.

**Stage 2**: Evaluate the likelihood and impact to identify how significant each risk is:

- Impacts and likelihoods are scored on a four-point scale. At the lower end 1 represents a minor impact and/or "very unlikely" and 4 represents an extreme risk and/or "very likely".
- Protocols exist to guide officers in making these judgements. A note detailing the criteria is attached (appendix 1).
- Multiplying these likelihood and impact scores together gives a result assessed as either "high risk" (value 12 - 16), "high/medium risk" (value = 9), "medium risk" (value 6 - 8) or "low risk" (value 1 - 4) depicted by the heat map, diagram 2 on the following page.
- Key risks are those identified as high risks with consideration also given to those where the implications of failure carry the most damaging consequences i.e. a risk with an inherent impact of 4.

4.2   In terms of assessing each risk the assessment is detailed in three situations:
- Inherent – the risk without any controls whatsoever.
- Current – how the risk stands at the present time.
- Controlled – how the risk looks once all mitigations are implemented.

4.3   The critical part is identifying and understanding the risks to enable informed decisions to be made.

Diagram 2: Risk assessment heat map

IMPACT			LIKELIHOOD		
4	4	8	12	16
3	3	6	9	12
2	2	4	6	8
1	1	2	3	4
	1	2	3	4
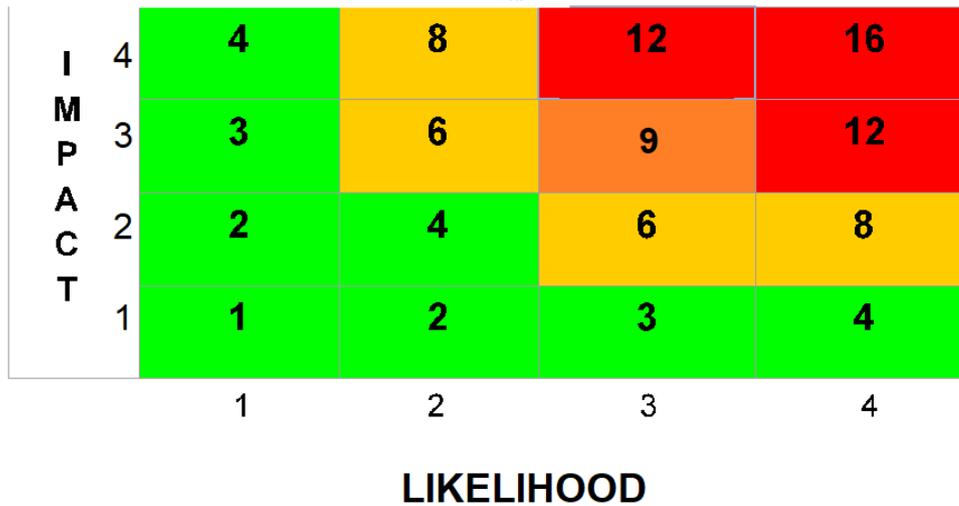
LIKELIHOOD

Stage 3: Treat the risks in order of priority. Mitigation measures address whether the likelihood and/or impact can be reduced or the consequences changed. Contingencies can be devised to respond should the risk occur. Key risks will be evaluated by risk owners i.e. directors, senior leadership team and cabinet members.

Stage 4: This is a monitoring and review process. The quarterly reporting process demands from reviews that each risk indicates consequences, SMART mitigations and the risk owner[10]. This process adds scrutiny to ensure:

- The correct risks are being identified.
- Treatment measures identified are legitimate.
- Correct individuals are assigned as risk owners.
- Systematic scanning for novel and unexpected threats as well as dealing with identified risks is, as far as possible, considered a core part of management responsibilities.
- There are challenges to what we "know" to ensure that our particular belief system is based upon the most up to date knowledge.
- Early warning systems exist so information can filter up quickly and easily.

4.4 Each risk is classified into one of a comprehensive set of eleven categories (appendix 2). These can be used to:
- Aggregate risks from various parts of the organisation for management purposes.
- Help with the identification of mutating risk. A mutating risk is an existing risk which starts connecting with other threats or factors to generate new outcomes.

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[10] An individual officer, who is closely involved with the risk, can monitor the risk and has sufficient authority to initiate action if the risk becomes more serious.

5. RISK APPETITE

5.1   Due to its diverse range of services the council does not have a single risk tolerance and appetite for risk. Risk appetite is the phrase used to describe where RBWM considers itself to be on the spectrum ranging from willingness to take or accept risks through to an unwillingness or aversion to taking risks.

5.2   Considering and setting risk appetite enables the council to increase its rewards by optimising its risk taking and accepting calculated risks within an appropriate level of authority. A clearly defined risk appetite takes much of the guesswork out of putting limits on new business. Equally, it reduces the likelihood of unpleasant surprises. Risk appetite enhances the content of the risk registers by considering:
- Capacity – the actual physical resources available and physical capability of the organisation. The council's capacity must have limits; therefore, its capacity is finite and breaching those limits will cause RBWM problems it cannot deal with.
- Tolerance – the factors that the council can determine, can change and is prepared to bear. Risks falling within tolerances for quality and range of services can be accepted. Tolerance changes more frequently than capacity and should therefore be stress tested more often.

5.3   There are an overarching series of qualitative and quantitative risk appetite statements (appendix 3) which no unit or service area can exceed, based on the capacity and tolerance levels of the council.

6. CONFIDENCE LEVEL

6.1   A metric is ascribed to the level of conviction the risk assessor has in the assessment score. By showing a confidence level the risk assessor can mitigate the problem that the decision makers, members etc. may be expecting precise numerical calculations because (unless told otherwise by the risk assessor) the assessments get interpreted as completely accurate depictions of the risk.

6.2   Low confidence level (score between 0-25%)
- Assessment is based on purely subjective opinion, is qualitative and not especially well documented because we don't have the data.
- No scientific consensus exists on estimating approach.
- Scores are, on balance, quite arbitrary and could be off by more than one measure (high vs high/medium vs medium vs. medium/low v low). It is no more probable that the reported score is correct than a lower or higher score is correct.

6.3   Medium Confidence Level (26% - 60%)
- Assessment is based on similar conditions observed previously and/or qualitative analysis. Qualitative analysis is based on unverified models and/or data.
- Expert opinion might fall in here but should be treated with caution if that's all there is. Some documentation exists.

- Literature relying on this estimating approach exists. We are confident that, if scores above are wrong, they are, on balance, only off by one ordinal.

6.4 High Confidence Level >60%
- Assessment is based on testing, modelling or simulation, use of prototype or experiments.
- Qualitative analysis is based on verified models. Quantitative assessment is based on an historical basis and/or data. Impact estimate is quantitative and well documented.
- Scientific consensus exists on estimating approach. It is highly probable that the reported score is correct (this could, for example, mean within one standard deviation).

7. RISK MANAGEMENT ROLES AND RESPONSIBILITIES

7.1 **Chief Executive**
The Chief Executive takes overall responsibility for RBWM risk management performance and ensures that:

- decision-making is in line with RBWM policy and procedures for risk management;
- adequate resources are made available for the management of risk;
- there is an understanding of the risks facing RBWM.

7.2 **Cabinet members**
- take reasonable steps to consider the risks involved in their decisions;
- understand the key risks falling within their portfolio.

7.3 **Audit and Governance Committee**
- consider and approve the risk management strategy annually and communicate it to other elected members;
- receive an annual report on risk management and monitor the effective development and operation of corporate governance;
- receive six monthly reports on the effective management of risks facing RBWM;
- oversee a comprehensive, inclusive and risk management approach to the annual governance statement process.

7.4 **Head of Finance**
- ensures that a risk management policy and strategy is developed and reviewed annually to reflect the changing nature of the council;

- champions the process of risk management as good management practice and a valuable management tool.

7.5 Executive Directors and the Corporate Leadership Team
- challenges the contents of the corporate risk register to ensure that it reflects any significant new risks emerging and that monitoring systems are suitably robust;
- support and promote risk management throughout RBWM;
- ensure that, where appropriate, key decision reports include a section demonstrating that arrangements are in place to manage identified risks;
- ensure that risk is managed effectively in each service area within the agreed strategy;
- identify any service specific issues relating to risk management which have not been explicitly addressed in the strategy;
- disseminate the detail of the strategy and allocate responsibilities for implementation to service managers and staff;
- understand the risks facing the council.

7.6 Insurance and Risk Management Team
- develop the strategy and oversee its implementation across the council;
- share experience and good practice on risk and risk management;
- develop and recommend the strategy to the audit and governance committee, head of finance and the senior leadership team;
- provide a clear and concise system for reporting risks to elected members.

7.7 Internal Audit
- take the content of the key risk registers into account when setting the internal audit programme;
- undertake audits to assess the effectiveness of the risk mitigation measures;
- feedback audit opinions on a predetermined scale so they can be included in the risk register.

7.8 Heads of Service/Managers
- take primary responsibility for identifying and managing significant strategic and operational risks arising from their service activities;
- recommend the necessary training for employees on risk management;
- maintain a risk register for their service area and ensure that all employees are aware of the risk assessments appropriate to their activity;
- be responsible for production and testing of business continuity plans.

7.9 All staff
- identify emerging or changing risks in their job and feed this back to their line manager.

8. CORPORATE RISK FINANCING STRATEGY

8.1   RBWM uses its risk financing arrangements to protect it from the financial implications of unexpected accidental events. This helps in providing continuous services in the event of serious losses.

8.1   The level of cover bought will depend on the council's appetite for risk, based on its ability to self-fund claims and the strength of its risk management.

8.2   RBWM is exempt from most requirements regarding compulsory insurance[11]. Nevertheless, most public sector organisations purchase external insurance. Without this, we will fund all such exposures from our own resources.

8.3   If RBWM were to insure without taking substantial excesses against most of the risks that it faces then this would incur significant annual premiums.

8.4   Having strong risk management arrangements across RBWM allows us to retain some risks either by deciding to self-insure these risks in their entirety or by purchasing insurance for losses that arise over a certain value.

8.5   **Objectives**
- Provide financial protection to the council's assets, services and employees.
- Maintain appropriate balance between external cover and internal risk retention.
- Ensure the internal insurance fund is maintained at an appropriate level.
- Ensure resilient claims handling arrangements and insurance fraud detection.
- Comply with any statutory requirements to have in place particular policies of insurance and associated inspection systems.

8.6   **Achieved by**
- Using claims modelling and other risk assessments to determine exposures.
- Monitoring changes in legislation, civil justice protocols and case law.
- Maintaining claims handling protocols in line with statutory requirements.
- Undertaking periodic actuarial fund reviews.

8.7   **Procurement of insurance**
- All insurance procurement complies with the relevant EU procurement rules.
- Hard copies of policies are retained indefinitely with more recent policy documentation stored soft copy.

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[11] Under the Local Government Act 1972 the only insurable aspect of the council's operations it is obliged to make specific financial provision for is against the risk of financial fraud by staff.

9. APPENDICES

1. Impact and likelihood assessment scoring.
2. Risk classifications.
3. Qualitative and quantitative risk appetite statements.

Appendix 1: Impact scoring

Factor	Score	Effect on level of service	Effect on quality of service	Embarrassment/reputation	Failure to provide statutory duties/meet legal obligations	Financial loss
Extreme	4	Massive loss of service, including several important areas of service and /or protracted period; service disruption 5+ days	Quality of service deteriorates by over 80% from accepted (ideally defined by PI's) operating parameters.	Adverse and persistent national media coverage; adverse central government response, involving (threat of) removal of delegated powers; officer(s) and/or members forced to resign	Litigation/ claims/fines from departmental £250k + corporate £500k +	Costing over £500,000 Up to 75% of budget
Major	3	Complete loss of an important service area for a short period; major effect to services in one or more areas for a period of weeks; service disruption 3-5 days	Quality of service deteriorates by between 25% to 60% from accepted (ideally defined by PI's) operating parameters.	Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community; adverse local publicity of a major and persistent nature; statutory prosecution of a serious nature.	Litigation/ claims/fines from departmental £50k to £125k corporate £100k to £250k	Costing between £50,000 and £500,000 Up to 50% of budget
Moderate	2	Moderate effect to an important service area for a short period; adverse effect to services in one or more areas for a period of weeks; service disruption 2-3 days	Quality of service deteriorates by between 10% to 25% from accepted (ideally defined by PI's) operating parameters.	Adverse local publicity /local public opinion aware; statutory prosecution of a non-serious nature	Litigation/ claims/fines from departmental £25k to £50k Corporate £50k to £100k	Costing between £5,000 and £50,000 Up to 25% of budget
Minor	1	Brief disruption of important service area; significant effect to non-crucial service area; service disruption 1 day	Quality of service deteriorates up to 10% away from accepted operating parameters.	Contained within section/unit or directorate; complaint from individual/small group, of arguable merit	Litigation/ claims/fines from departmental £12k to £25k corporate £25k to £50k	Costing less than £5,000 Up to 10% of budget

Appendix 1: Likelihood scoring

FACTOR	SCORE	THREATS - DESCRIPTION	INDICATORS
Very likely	4	More than 75% chance of occurrence.	Regular occurrence. Circumstances frequently encountered - daily/weekly/monthly.
Likely	3	40% - 75% chance of occurrence.	Likely to happen at some point within the next 1-2 years. Circumstances occasionally encountered (a few times a year).
Unlikely	2	10% - 40% chance of occurrence.	Only likely to happen 3 or more years.
Very unlikely	1	Less than 10% chance of occurrence.	Has happened rarely or never before.

Likelihood score combined with impact score

Very likely	low	medium	high	high
Likely	low	medium	medium/high	high
Unlikely	low	low	medium	medium
Very unlikely	low	low	low	low
	Minor	Moderate	Major	Extreme

Appendix 2 – risk classifications

1   Business processes

        Design, operation and application activities.

2   Assets

        Infrastructure including hard assets e.g., roads, buildings, vehicles, along with other physical responsibilities such as trees, open spaces. Excludes IT.

3   Communications

        The approach to and culture of communication, consultation, transparency and information-sharing, both within and outside the council.

4   Political and operating contexts

        Perceived or potential conflicts between private and public interests, members and officers, national and local government or contractors and the council.

5   Financial management

        The structures and processes that ensure sound management of financial resources and compliance with financial management policies and standards.

6   Governance, strategic direction and organisational transformation

        Management skills and capacity, the approach to leadership and decision-making. The approach to significant structural or behavioural change.

7   Human resources management

Staff/management turnover; employment/work culture; recruitment, retention and staffing processes and practices; succession planning and talent management; employee development, training and capacity.

8   Information technology

Capacity and sustainability of information technology and both the infrastructure and utilisation of technological applications.

9   Knowledge and information management

Collection and management of knowledge, including intellectual property, operational information, records and data.

10   Legal

Management of RBWM's legislative, advisory and litigation activities, including the development and renewal of, and compliance with, laws, regulations and policies.

11   Demographic and social factors

The direct needs of residents, visitors and the general public.

Appendix 3 – Qualitative and quantitative risk appetite statements.

Risk definitions

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
Avoidance of risk and uncertainty is a key organisational objective.	Preference is for ultra safe business delivery options that have a low level of inherent risk and only have a potential for limited reward.	Preference is for safe delivery options that have a low degree of inherent risk and likely to only have limited potential for reward in most circumstances.	Willing to consider all potential delivery options and choose the one most likely to result in successful delivery while also providing an acceptable level of reward.	Eager to be innovative and to choose options offering potentially higher business rewards despite greater inherent risks.

Authorisation definitions

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
Insignificant consequences requiring line manager (or even staff) approval	Moderate consequences requiring HOS approval	Medium consequences acceptable by director.	Potential major consequence acceptable only with chief officer authorisation.	Potential catastrophic consequences unacceptable without highest possible level approval

Monitoring arrangement

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
Accept	Low level monitoring	High level monitoring	Remedial action and/or senior monitoring	Urgent remedial action or senior monitoring

Risk appetite statements 1 – 3 are quantitative assessments, 4 – 8 are qualitative assessments each acknowledging a willingness and capacity to take on risk.

1. Maximum tolerance for losses

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
Costing <£10K. It is likely to cost about this much to manage an occurrence of this risk. Little stakeholder concern and can usually be managed in the directorate concerned with normal reporting to head of finance. Little impact on service delivery in other areas due to the financial impact of this occurrence.	Costing £10K - £50K. It is likely to cost about this much to manage an occurrence of this risk. Pockets of some stakeholder concern and can usually be managed in the directorate concerned with normal reporting to head of finance. Little impact on service delivery in other areas due to the financial impact of this occurrence.	Costing £50K - £250K. It has often cost around this sum to manage this risk in similar projects or programmes. Moderate stakeholder concern. Some impact to service delivery in other areas due to the financial impact of this occurrence.	Costing £250K - £500K. The exposure is demonstrably around this sum in order to manage an occurrence of this risk. Reasonably high interest by stakeholders in the level of loss. Notable impact to service delivery in other areas due to the financial impact of this occurrence. The head of finance is to be alerted when a risk reaches this impact.	Costing >£500K, <£5M. The exposure is demonstrably around this sum in order to manage an occurrence of this risk. Very significant interest by stakeholders in the level of loss. Major impact on service delivery in other areas due to financial impact of this occurrence. The head of finance is to be alerted when a risk reaches this impact.

2. Headroom after impact on capital funding strategy

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
£10M upwards	Between £5M - £10M	Between £2M - £5M	Between £1M and £2M	<£1M, >500K

3. Minimum cash balance

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
At least £5M	Between £2.5M and £5M	Between £1M and £2.5M	Between £500K and £1M	No lower than £500K

4. Regulatory risk

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
In the event any statute is breached, it carries little damaging financial or reputational impact i.e. fines <£10K concerning a localised technical matter. Avoid anything that could be challenged, even unsuccessfully.	Relatively low profile statutory requirement may not be delivered adequately Fines >£10K up to £25K if council found in breach of relevant Act Want to be very sure we'd win any challenge.	Well established statutory requirement may not be delivered adequately Fines £25K - £50K if council found in breach of relevant Act Limited tolerance for sticking our neck out. We want to be reasonably sure we would win any challenge.	Important statutory requirement may not be delivered with potentially serious implications. Fines £50K - £250K if council found in breach of relevant Act Challenge will be problematic but we are likely to win it and the gain will outweigh the adverse consequences.	Fundamental statutory requirement may not be delivered satisfactorily with potentially very serious implications. Fines over £250K if council found in breach of relevant Act. Chances of losing are high and consequences serious. However, a win would be seen as a great coup.

5. Reputation risk

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
A low level of interest in a particular council activity. A sideline in specialist press. Localised criticism. Managed situation with director/head of service briefed.	Front page news in local press. No particular national interest beyond sidelines. Managed situation with managing director/leader briefed.	Some national publicity or media criticism for no more than two/three days. Sustained criticism over 1-2 months amongst local press/public and/or specialist press. Could take up to a month to restore credibility.	Some national publicity or media criticism lasting no more than a week. Sustained criticism over 3-4 months amongst local press/public and/or specialist press. Could take up to three months to restore credibility. Reputation tarnished in longer term. Senior officers criticised for actions undertaken by the council.	Widespread criticism originating from all quarters of the press / the general public. It will take more than 6 months to restore credibility amongst stakeholders. Reputation is massively damaged and confidence lost towards senior officers and elected members.

6. Council services

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
Has low level impact on the council's ability to deliver key services. May affect an aspect of performance management but overall target likely to remain unaffected. 1 day disruption.	Moderate impact on the delivery of any key service. Recoverable but will be delays of up to 2-3 days in returning to normal.	Has a medium level impact on the council's ability to deliver key services. Recoverable but will be delays of up to a week in returning to normal.	Impacts one key element of the council's strategic plan. Takes over a week but less than a fortnight to recover and return to pre-risk occurrence state.	Has a high level impact on the ability of the council to deliver more than one key element of the council's strategic plan. Over a fortnight to return to normal.

7. Operational risks in the execution of business plans

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
The uncontrolled impact would be no more than moderate at operating unit level. It would be controllable to a lower assessment status and not affect the wider council	The uncontrolled and/or controlled impact would be no more than moderate at operating unit level. It would be controllable and not affect the wider council. Small delays to major project.	Would have a major uncontrolled impact at the directorate level that may possibly lead to a wider council impact. Key milestones to major project or initiative slip.	Would have a major uncontrolled impact at the directorate level and with clear reasons that would likely lead to a wider council impact. Key milestones to major project or initiative slip.	Significant council wide impact. Major failing in the delivery of a key project or initiative. Would meet criteria for key operational risk.

8. Risk related decision making, especially in relation to new business opportunities

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
Many such opportunities undertaken at local levels. Clear precedents exist with apparent transparent benefits. Little or no change to council's existing business structure.	Reasonably common area of business but without a vast number of competitors e.g. <10. Council required to make minor adjustments to address new ways of working. Tolerance for risk taking limited to those events where there is	New area of business with a small number of precedents. Moderate adjustments to address new ways of working. Some moderate staffing level changes.	Only one or two examples of similar work undertaken in the local authority environment. Significant modifications to address new ways of working. Considerable changes to staffing levels/methods.	Completely new business area never assumed by any public sector organisation. Benefits cannot be based on previous experience because there isn't any. Appetite to take decisions that are likely to bring scrutiny of the council but where potential benefits are huge.

Minimal tolerance for any decisions which could lead to scrutiny of the council	no chance of any significant repercussions for the council		Appetite to take decisions with the potential to expose the council to additional scrutiny.	Desire to break the mould and challenge current practices.