

High Peak Borough Council
and
Staffordshire Moorlands District Council
(The Alliance)

JOINT
RISK MANAGEMENT STRATEGY



RISK MANAGEMENT STRATEGY

1. Introduction

1.1 High Peak Borough Council and Staffordshire Moorlands District Council (hereafter called the Alliance) have embedded risk management into their cultures, processes and structures to ensure that opportunities are maximised and risk minimised. This Strategy will enable the Alliance to develop risk management further through its effective use in management and decision-making processes.

1.2 The Alliance recognises that there are risks involved in everything it does and that it has a duty to manage these risks efficiently and effectively. This duty is to staff, residents, service users, partners, contractors and funding agencies.

2. Statement of Commitment

2.1 The Leaders and portfolio holders of both Councils and the Alliance Leadership Team are committed to:

- Adopting best practice in the identification, evaluation and cost-effective control of risks.
- Ensuring wherever possible that risks are either reduced to a level within the Alliance's risk tolerance or eliminated.
- Maximising opportunities to achieve the Alliance's objectives and deliver core service provisions.

2.2 It is acknowledged that some risks will always exist and will never be eliminated.

2.3 All employees must understand the nature of the risk and accept responsibility for risks associated with their area of work. In doing this they will receive the necessary support, assistance and commitment from senior management and members.

2.4 The Alliance's risk management objectives are an inherent part of good management and governance practices. The objectives need the full support of members and active participation of executive directors and heads of service.

2.5 This strategy demonstrates how the Alliance is discharging its responsibility to manage risks and maximise opportunities using a structured and focused approach to risk management.

3. Definitions:

3.1 Enterprise Risk Management

A holistic framework for risk management which involves identifying events or circumstances relevant to the Alliance's objectives (risks and opportunities); assessing them in terms of likelihood and magnitude of impact; determining a response strategy and monitoring progress. By identifying and proactively addressing risks and opportunities, the Alliance will create value for its stakeholders, including employees, customers, regulators, and society overall.

3.2 Governance

'An interrelated system that brings together an underlying set of legislative requirements, governance principles and management processes.' (Delivering Good Governance in Local Government by CIPFA (Chartered Institute of Public Finance Accountants) and SOLACE (Society of Local Authority Chief Executives). Good governance leads to good: management, performance, stewardship, public

engagement and, ultimately, good outcomes for citizens and service users and other stakeholders.

3.3 Risk

The effect of an uncertainty (positive or negative) on objectives. Risks should not be confused with:

- 'Consequences' (an outcome of an event);
- 'Issues' (something present that can be adequately controlled through routine operational activity); and
- 'Incidents' (event in which a loss occurred or could have occurred regardless of severity).

3.4 Risk Management

The process, by which risks are identified, evaluated and controlled. Good risk management increases the likelihood of success and reduces uncertainty in achieving objectives.

3.5 Risk Assessment

This is the overall process of risk identification, analysis, and evaluation.

3.6 Risk Tolerance

The Financial Reporting Council in its updated (June 2010) Corporate Governance Code states: "*The board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives.*" The threshold for the Alliance's tolerance to risk is outlined within the matrix at Appendix A.

3.7 Once established, the risk tolerance can be used as an input in the decision-making process. If the Alliance is risk averse, then possible beneficial opportunities may be passed over as the risk is too great. Whereas a lower aversion to risk may well accept the opportunity but with the knowledge that there is a more significant risk level.

3.8 The risk tolerance thresholds should be reviewed regularly by the Risk Management Group and agreed by the Audit Committee biennially. By doing this the Council will be determining the nature and extent of the significant risks that it is willing to take in achieving its strategic objectives. The review by the Audit Committee will ensure robust challenge and endorsement. Matters to consider will include:

- To what extent does the Alliance want to be a risk taker
- Can the Alliance afford to take risks
- What level of risk is tolerable
- Should there be a consistent attitude to risk across services

4. Objectives and Benefits of Risk Management

4.1 The Alliance is committed to establishing and maintaining a systematic approach to risk management through Enterprise Risk Management. Risk Management is one of the foundation stones on which every decision taken at corporate and operational level is made and assists in achieving objectives.

4.2 The objective of risk management is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they do occur. Even when the likelihood of an event occurring (such as a severe storm)

cannot be controlled, steps can be taken to minimise the consequences i.e., by having effective and robust Emergency and Business Continuity Plans in place

4.3 Risk management provides a framework within which the Alliance can be forward looking and innovative and minimise potential damage or loss to the Alliance, its staff, residents, service users, partners, contractors, and funding agencies.

4.4 Risk is not restricted to potential threats but can be connected with opportunities. Good risk management can facilitate proactive, rather than merely defensive, responses. Measures to manage adverse risks are likely to help with managing opportunities.

4.5 The key objectives of this risk management strategy are to: -

- Achieve the objectives of the Risk Management Strategy through the use of the risk management process using Enterprise Risk Management.
- Add value by improving the ability of the Alliance to manage uncertainty; anticipate change; protect its reputation; and deliver its objectives.
- Ensure that the framework for identifying, evaluating, controlling, reviewing, reporting, and communicating operational, project and strategic risks across the Alliance is implemented, understood and embraced by all staff and members.
- Assist in good governance arrangements that comply with health and safety, insurance and legal requirements.
- Protect the Alliance's assets (tangible and intangible) and make services more resilient to critical disruption.

4.6 These objectives will be achieved by:

- Clearly defining the roles, responsibilities and reporting lines within the Alliance for risk management.
- Reinforcing risk management as part of all decision-making processes and in all aspects of activity including service delivery.
- Maintaining documented procedures for the control of risk and provision of suitable information, training, and guidance.
- Having in place contingency plans to secure business continuity where there is a potential for an event to have a major impact upon the Alliance's ability to function.

4.7 Effective risk management will strengthen the ability of the Alliance to achieve its aims and objectives; and enhance the value of services through the effective management of risks. This in turn should provide the following benefits, which are not mutually exclusive:

Strategic:

- Increased likelihood of realising corporate ambitions

- Contribution to improved decision-making to achieve the desired outcomes by assisting members and officers to make informed decisions about the appropriateness of adopting policy, project management, procurement, or service delivery options
- Wider demonstration of openness and accountability to various inspectorate bodies and stakeholders
- Improved image and reputation
- Effective management of partnership and project risks
- More informed assessments of business opportunities
- Members have a clear understanding of their responsibilities:
 - Improved member challenge / scrutiny
 - Members and management assured on the adequacy of arrangements for the conduct of business and the use of resources.

Operational:

- Services have the knowledge and tools to identify the strategic and operational risks to their business and have in place arrangements to mitigate and manage these risks
- Improved use of finances and other resources as risks are managed and exposure to risk is reduced
- Greater risk awareness and an improved control environment
- Increased willingness and confidence to undertake innovative projects and be less risk averse whilst managing risks efficiently and effectively
- Proactive approaches to responding to emerging risks and focus on the risks that will inform future strategies enabling more effective planning for the future
- Demonstrable achievement of and adherence to statutory (including health and safety) and legal standards.

Projects:

- Increased likelihood of realising project deliverables
- Effective management of partnership and project risks
- More informed assessments of business opportunities
- Improved use of finances and other resources as risks are managed and exposure to risk is reduced
- Increased willingness and confidence to undertake innovative projects and be less risk averse whilst managing risks efficiently and effectively

5 Approach

5.1 The approach taken to risk management by the Alliance follows the principles of enterprise risk management. This approach enables the Alliance to consider the potential impact of all types of risk on all the activities of the Alliance in a structured manner allowing the Alliance to benefit from effective risk management. These benefits are continuity of service; being able to plan for eventualities; and not having “nasty” surprises.

5.2 To assist with this approach to risk management and to ensure consistency across the Alliance, a guidance document on the risk management process has been prepared. The process will be reviewed by the Information Business Partner in line with the Risk Management Strategy review timetable.

5.3 In order to support risk minimisation initiatives across the Alliance, each Council has set aside Risk Reduction Funding against which Services can bid for one-off funding. The Corporate Risk Management Group receives all such bids and decides on the merit of each submission.

5.4 By effectively managing risks and opportunities, which is part of good governance, the Alliance will be in a stronger position to: deliver its objectives, provide improved services to the public, work better with partners and achieve best value. Risk management will inform the Alliance's business processes, including:

- Strategic planning
- Financial planning
- Service planning
- Policy making and review
- Performance management
- Project management
- Partnership working
- Contractors / suppliers
- Internal Control and Internal Audit
- Business continuity and emergency planning.

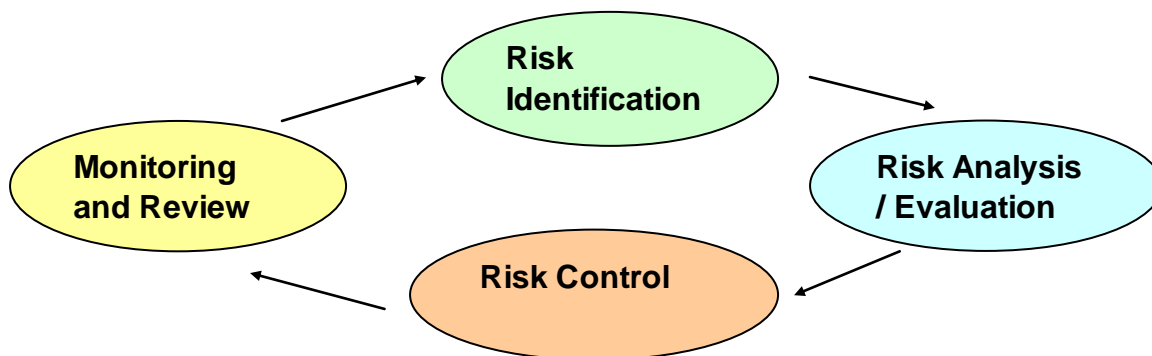
5.5 For those with responsibility for achieving objectives, responsibility also lies for identifying and assessing risks and opportunities; developing and implementing controls and warning mechanisms; and reviewing and reporting on progress. The identified risks and relevant control measures will be managed through the Alliance's Risk Registers.

5.6 Some objectives could be reliant upon external organisations that the Alliance works with, e.g., partners and contractors. This partnership working could affect the achievement of an objective and therefore the risk management process has been incorporated into the way the Alliance works within these partnerships through the Partnership Protocol.

6 Risk Management Process

6.1 Consideration of risk should not be a stand-alone process and should reflect uncertainties in the planning and delivery processes which could seriously affect outcomes, for example: resources, funding strategies, partnerships, or suppliers.

6.2 The Alliance will adopt the following risk management process:
The risk management cycle:



6.3 The risk management process is outlined below:

Step	Title	Description
1	Risk Identification	Identify risks by reference to corporate, service or project objectives. This will involve identifying the perceived uncertainty and its root cause (the underlying vulnerability or trigger) and the potential consequences.
2	Risk Analysis / Evaluation	<p>Areas of potential risk need to be systematically and accurately assessed. The process requires an assessment of the:</p> <ul style="list-style-type: none"> • Probability of a risk event occurring. • Potential severity of the consequences should such an event occur. • Possible resource and other implications. • Priority of the risk for action in relation to the Alliance's risk tolerance. <p>Once threats and opportunities have been identified their potential "inherent risk" is evaluated i.e., with no mitigation in place. It is then re-evaluated taking into account the effect of mitigations that are in place and active. The result is the determination of the "residual risk."</p>
3	Risk Control	<p>Prioritisation for attention is according to the existing control environment, risk tolerance, residual risk assessment, and the availability of resources.</p> <p>Risk cannot be eliminated completely. Risk management is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur or maximising the opportunities.</p> <p>Determine the course of action necessary to reduce the risk further preferably to within the Alliance's risk tolerance. Such action will be: treatment, transfer, tolerate or terminate. All possible actions need to be considered / evaluated.</p> <p>Assign clear responsibility for managing the risk to an appropriate "risk owner" who is able to influence and take necessary actions.</p> <p>Action plans to address risks should be SMART (Specific, Measurable, Achievable, Relevant & Timely).</p> <p>Contingency arrangements need to be developed that are appropriate to the threat identified.</p> <p>The required actions will be entered into the risk register and monitored.</p>
4	Risk Monitoring & Review	<p>There must be monitoring and review of:</p> <ul style="list-style-type: none"> • The implementation of the agreed control action • The effectiveness of the action in controlling the risk • How the risk evolves / changes in response to changes in the operating environment, changing business conditions, operational changes etc • Where an incident occurs the post-incident reviews must be undertaken into the causes/impact and identify lessons learnt • As part of the review the risks will be re-evaluated, and the cycle will continue as demonstrated in the diagram above.

7 Risk types

7.1 There are three levels of risk:

Risk type Title	Level of risk	Impact	Managed by
Strategic	<ol style="list-style-type: none"> 1. Matters affecting the delivery of Corporate Plans. 2. Matters affecting the Alliance 3. Matters affecting more than one service 	Has potential to affect the objectives / goals of the Alliance	Alliance Leadership & Management Team
Operational	Affecting a service area	Has potential to affect service delivery	Head of Service
Project	Affecting a specific project or across a programme	Has potential to affect project deliverables	Project Manager / Sponsor

8 Roles and Responsibilities

8.1 Responsibility for risk management sits across the Alliance and includes members, senior officers and to some extent all employees. Clear identification of roles and responsibilities will ensure the successful adoption of risk management and demonstrate that it is embedded in the culture of the Alliance. Roles and responsibilities are as shown below and can be split into three lines of assurance:

First Level – Management	
The Assurance at this level comes mainly from those charged with delivering specific corporate objectives, projects, or operational activities.	
Group / Individual	Role
Cabinet / Executive	<ul style="list-style-type: none"> • Oversee the effective management of risk throughout their Council
Chief Executive	<ul style="list-style-type: none"> • Ultimate responsibility for risk management across the Alliance • To ensure that risk management practices across the Alliance reflect best practice • To ensure that an effective strategy is in place • To ensure that risk management issues are fully considered in the decision-making process • Ensure that risk management is fully embedded across the Alliance • Overall control of the risk management function • Ensure that the risk management processes are robust through regular reporting and the work of Internal Audit • To promote the implementation of the Alliance’s Risk Management Strategy
Executive Directors	<ul style="list-style-type: none"> • Ensure that the risk management process is promoted, developed, managed, and implemented effectively in their service areas • Make decisions with their service managers as to which service risks may warrant inclusion on the strategic risk register • Identify and manage corporate risks facing the Alliance

	<ul style="list-style-type: none"> • Take ownership of strategic risks in their directorate and include them in the Strategic Risk Register • Disseminating relevant information to service managers and employees
Member Champion	<ul style="list-style-type: none"> • To promote the concept and practice of risk management
Heads of Service	<ul style="list-style-type: none"> • To act as risk management champion within their service and ensure their service actively and positively embraces the risk management process • Ensure that risk management is an integral part of service planning • Take ownership of service risks in their service • Recommend any necessary training for employees on risk management • Share relevant information with colleagues in other service areas. • Support the work of the risk management group • Liaising with external agencies to identify and manage risk • Maintain and update the service operational risk register • Have in place procedures for new, emerging and escalating risks • Monitor (and share with director and risk officer) situations where: <ul style="list-style-type: none"> ○ Risks that are rising in their level of severity ○ Circumstances where managers have been unable to implement the agreed mitigating actions ○ Risk that potentially have an impact on other services
<p>Second Level – Corporate Groups / Specialist Officers Assurance at this level comes from other management areas that are not directly responsible for service delivery, but which carry out reviews to ensure risks are being managed. Responsibilities include ensuring compliance.</p>	
Risk Management Group	<ul style="list-style-type: none"> • Monitor and review the risk management strategy • Challenge and monitor the implementation of the risk management mitigation plans within Operational and Project Risk Registers • Promote and share good risk management practice throughout the Alliance • Support the development of the risk management process, share experience on risk, and aid / advice in the review of risk management issues • Identify areas of overlapping risk • To identify trends and priorities
Information Business Partner	<ul style="list-style-type: none"> • To develop and maintain a risk management process reflecting best practice • Biennially review the risk management strategy and process ensuring it remains robust • Ensure that risks are reviewed and reported to management • Collate and manage the risk registers • Prepare annual and periodic risk management reports for the Audit Committee • Identify and communicate risk management issues to services, and assist in undertaking risk management activity through guidance, training or direct support • Promote the risk management process throughout the Alliance

	<p>with both members and officers, ensuring the process is embedded, effective and reflects best practice</p> <ul style="list-style-type: none"> • To consult with service managers concerning risk issues • To act as lead support officer for the corporate risk management group
<p>Third Level – Independent / External Assurance at this last level comes from independent and objective sources such as Committees and external agencies. Responsibilities here include challenge.</p>	
Audit Committee	<ul style="list-style-type: none"> • Pro-actively challenge senior management and relevant officers on the identified risks • Provide independent assurance of the effectiveness of the risk management framework and associated control environment • To approve and agree changes to the risk management Strategy and risk tolerance • Monitoring the Council's risk management arrangements • Monitor the operational, project and strategic risk registers by exception • Review progress being made with regard to implementation of actions being taken to address risk management issues • Ensuring that the statement on internal control correctly reflects the risk environment.
All Members	<ul style="list-style-type: none"> • To promote good risk management processes • To ensure that risks have been robustly assessed in reports presented to members.
All officers	<ul style="list-style-type: none"> • Be aware of the Alliance's risk management strategy • Manage risk effectively in their jobs, liaising with their line manager to assess areas of risk in their job.
Internal Audit	<ul style="list-style-type: none"> • To provide an opinion on the effectiveness of internal control and risk management arrangements across the Alliance
External Audit	<ul style="list-style-type: none"> • To provide an external opinion on the management of significant risks

9 Embedding risk management into the culture of the Alliance

9.1 The Alliance has a well established risk management culture and this strategy seeks to build on that. The aim is to ensure that risk management plays an integral part in decision making and the day-to-day business of the Alliance in a structured manner.

9.2 Our principles are to:

- Engage all members, staff and partners, in effective risk management processes
- Encourage an open culture where no-one will be criticised or blamed for raising genuine issues
- Use risk management to learn how to improve activities and behaviours and so improve services and thereby better serve customers
- Encourage all members and senior managers to lead by example in demonstrating the culture of learning rather than blame
- Ensure that significant decisions are only made after a proper assessment of the risks has been properly considered
- Minimise negative risks and maximise opportunities.

10 Links to Governance issues

- 10.1 Corporate Governance
Risk management is an essential part of the CIPFA/SOLACE framework on Corporate Governance that has been adopted by all Local Authorities. The Framework requires the Alliance to establish and maintain a systematic strategy, framework and process for managing risk.
- 10.2 Internal Control
Good internal control ensures that the processes and procedures operate in an orderly and efficient manner, statutory and management requirements are complied with, assets are safeguarded, and records are complete and accurate. Poor internal control will increase the risks.
- 10.3 Performance Monitoring
Performance monitoring of risk management activity will ensure that the treatment of risk remains effective and the benefits of implementing risk control measures outweigh the costs of doing so. Performance monitoring is a continual review not only of the whole process, but also of individual risks or projects and of the benefits gained from implementing risk control measures.
- 10.4 Project Management
The application of robust risk management in delivering major and complex projects will assist in the successful delivery of projects. The corporate approach to risk management and assessment is applied to project risks as part of the project management methodology.
- 10.5 Data Quality
The Alliance needs to ensure that the data used for performance monitoring and to inform decision making is accurate, reliable, timely and fit for purpose. If the information is misleading, decision making may be flawed, resources may be wasted, poor services may not be improved, and policy may be ill-founded. This could represent significant risks to the Alliance. The Alliance has a Data Quality Policy which sets out the measures in place to ensure that data is fit for purpose.
- 10.6 Anti-Fraud and Corruption
The Alliance has anti-fraud and corruption frameworks in place, which will direct the Alliance towards ensuring a professional and ethical approach to combating fraud. Good risk management practices will assist in enhancing the level of internal control thereby assisting in reducing the opportunities for fraud and corruption.
- 10.7 Business Continuity
The business continuity process is essentially risk management applied to the whole Alliance and its ability to continue with its service provision in the event of a catastrophic event. The Alliance must ensure risk management processes are applied throughout the business continuity lifecycle. **Joint Venture companies are responsible for developing their own Business Continuity processes.**
- 10.8 Emergency Planning
The Emergency Plans provide a framework that will enable the Councils to provide a quick and effective response to mitigate the effects of any emergency on the public and/or the environment in the Borough / District. **Joint Venture companies are responsible for developing their own Emergency Planning processes**
- 10.9 Health and Safety

The Alliance has demonstrated a commitment to Health and Safety with the development of policies and guidance specifically addressing the management of risk.

11 Reporting

11.1 The structure for reporting risks effectively is to report on an exception basis prioritising the most significant risks (those with a risk rating of 'high' or above, which are beyond the Alliance's current risk tolerance).

11.2 The reporting timetable will be:

Timeframe	Description:	Report to:
Quarterly	Review of the Strategic, Project and Operational Risk Registers.	Corporate Risk Management Group
Biennially	Review of the risk management strategy to identify and agree major changes, including a review of risk tolerance.	Audit Committee and Alliance Leadership & Management Team
Biannually	Strategic, Project and Operational Risk Register reports Reporting must be on an exception basis ensuring it is meaningful and prioritises the significant issues.	Alliance Leadership & Management Team and Audit Committee

12 CONCLUSION

12.1 By embracing risk management, the Alliance will make the most of the opportunities which it faces, whilst operating within a risk-aware environment. By effectively managing risks and opportunities, which is all part of good governance, the Alliance will be in a stronger position to deliver its objectives and meet the requirements of the financial constraints in the public sector; work better as a partner with other organisations and achieve best value.

Risk Tolerance Thresholds

Appendix A

The Alliance has set its risk tolerance level for risk threats at the threshold between medium and high rated risks. A matching but reverse tolerance level has been set for positive risk, but the ambition is to move all opportunity risks to their highest impact and likelihood but as with risk threats, only above tolerance risks will be reported by exception.

Risk – Threats						Risk - Opportunities							
Likelihood	Almost Certain - 5	5	10	15	20	25	25	20	15	10	5	Almost Certain - 5	Likelihood
	Likely – 4	4	8	12	16	20	20	16	12	8	4	Likely - 4	
	Possible - 3	3	6	9	12	15	15	12	9	6	3	Possible - 3	
	Unlikely - 2	2	4	6	8	10	10	8	6	4	2	Unlikely - 2	
	Rare – 1	1	2	3	4	5	5	4	3	2	1	Rare – 1	
	Insignificant – 1	Minor – 2	Moderate – 3	Major – 4	Catastrophic – 5	Exceptional – 5	Significant – 4	Moderate – 3	Minor – 2	Insignificant – 1			
	Impact					Impact							

Key to risk threats: **Green** – Low, **Amber** – Medium, **Red** – High, **Purple** – Critical

Table 1 Consequence / Impact

This is a measure of the consequences of the identified risk

Risk - Threats		Risk - Opportunities	
Impact	Thresholds and Description	Impact	Thresholds and Description
1 – Insignificant	Financial Impact = <£10k Reputational Impact = None Physical Injury** = None Environmental Damage = Insignificant Service Disruption = No loss of service to customer	1 – Insignificant	Little or no improvement to service Little or no improvement to welfare of staff / public Little or no financial income / efficiency savings (less than £10k) Little or no improvement to environment or assets Little or no feedback from service users
2 – Minor	Financial Impact = £10k - £50k Reputational Impact =	2- Minor	Minor improvement to service Minor improvement to welfare of staff / public

Risk - Threats		Risk - Opportunities	
	Minimal coverage in local press Physical Injury = Minor (first aid) Environmental Damage = Minor local Service Disruption = Internal disruption only		Improvement that produces £10k - £50K of income / efficiency savings Minor improvement to environment or assets Positive user feedback
3 – Moderate	Financial Impact = £50k+ - £100k Reputational Impact = Extensive coverage in local media Physical Injury = Violence / threat of serious injury requiring medical treatment Environmental Damage = Moderate local Service Disruption = Disruption of less than 7 days for Priority 3 and 4 functions*	3 – Moderate	Moderate improvement to service Moderate improvement to welfare of staff / public Improvement that produces £50k+ - £100k of income / efficiency savings Moderate improvement to environment or assets Positive local media contact
4 – Major	Financial Impact = £100k+ Reputational Impact = Coverage in national media Physical Injury = Extensive multiple injuries Environmental Damage = major local Service Disruption = Priority 2 function disrupted for more than 3 days	4 – Significant	Significant improvement to service Significant improvement to welfare of staff / public Improvement that produces £100k+ of income / efficiency savings Significant improvement to environment or assets Positive local media coverage
5 – Catastrophic	Financial Impact = £1m+ Reputational Impact = Extensive national press / media (lead item) Physical Injury = Major and beyond Environmental Damage = major national or beyond Service Disruption = Priority 1 function disrupted for more than 24 hours	5 - Exceptional	Major improvement to service Major improvement to welfare of staff / public improvement that produces over £1m+ of income / efficiency savings Major improvement to environment or assets Positive national media coverage

*As defined in the Council's Business Continuity Plan

** Physical injury arising from negligence on the part of the Council

Table 2 Likelihood / Probability of Occurrence

This measures the chance of the risk or opportunity occurring

Risk - Threats		Risk - Opportunities	
Likelihood	Description	Likelihood	Description
1 – Rare	May occur only in exceptional circumstances (e.g. once in a decade)	1 – Rare	Opportunity has not been fully investigated but considered extremely

Risk - Threats		Risk - Opportunities	
			unlikely to materialise
2 – Unlikely	Unlikely to occur but could at some time (e.g., once in 3 years)	2 – Unlikely	Opportunity has not been fully investigated; achievability is unproven / in doubt
3 – Possible	Fairly likely to occur at some time or under certain circumstances (e.g., once in 2 years)	3 – Possible	Opportunity may be achievable, but requires significant management, planning and resources.
4 – Likely	Will probably occur at some time or in most circumstances (e.g., annually)	4 – Likely	Opportunity is achievable with careful management.
5 – Almost Certain	Is expected to occur in most circumstances (e.g., monthly)	5 – Almost Certain	Clear, achievable opportunity

Risk Management Group

Terms of Reference

1 Purpose

- 1.1 The purpose of the Risk Management Group is to promote good risk management practice throughout the Councils and to assist in reducing / containing risk exposure.
- 1.2 The Group will support the implementation of effective risk management arrangements to:
 - Assist the Councils in achieving their objectives.
 - Help prevent unforeseen circumstances / events.
 - Assist in the efficient and effective delivery of services.
 - Assist with business continuity.
 - Help contain / reduce insurance claims and premiums.
 - Contain the exposure of the Councils to adverse events.
 - Assist in preventing / containing reputational & political risks.
 - Improve reporting systems throughout the Councils.

2 Authority

- 2.1 The group will provide assurance to the Alliance Leadership Team (ALT) in respect of the Council's risk management arrangements.
- 2.2 The Chief Executive oversees the progress made by the group with professional support from the Council's Information Business Partner.

3 Membership

- 3.1 The Group comprises of management staff from all high risk areas of the Councils - attendance is mandatory and shall include:
 - Chief Executive (Chairperson)
 - Information Business Partner
 - Head of Assets
 - Head of Finance
 - Head of Service Commissioning
 - Head of Environmental Health and Licensing
 - Head of Organisational Development and Transformation
 - Head of Housing
 - Head of Revenues and Benefits
 - Head of Legal and Elections
 - Representative from the Councils' Insurers
 - Insurance Officer
 - Corporate Health & Safety Manager

3.2 Membership of the Group may occasionally be reviewed accordingly to reflect changes in the management structure and changes in the services provided across the Council.

4 Functions

4.1 Through the consideration of reports the Group will monitor the priorities and procedures adopted by the council in respect of risk management.

4.2 The Group will:

- Set and monitor the Councils' risk management policy, strategy and operational arrangements.
- Promote risk management throughout the Councils, its partners and contractors.
- Oversee the effective identification and assessment of emerging and dynamic risks
- Oversee the identification and management of strategic, operational and project risks
- Promote the sharing of best practice.
- Work effectively with other groups across the Councils on risk management issues.
- Review operational, strategic and project risks and how they inter-relate.
- Sharing best practice both within the Councils and with partners and contractors
- Act as risk management champions in services and in other groups
- Develop good practices to mitigate any potential insurance liability

5 Procedure

5.1 The Group will meet on a quarterly basis. Agendas will be circulated at least five days prior to the meetings. Copies of the minutes will be made available to all employees of the Intranet, within 15 working days of the meeting taking place.

5.2 The Chief Executive will act as Chairperson and will nominate a suitable deputy to cover meetings during periods of absence.

5.3 The minutes and actions from the quarterly meetings of the group will be reported to the Alliance Leadership Team.

5.4 Regular risk management reports will be considered by the group and presented to the High Peak Audit & Regulatory Committee and the SMDC Audit & Accounts Committee.

6 Review

- 6.1 At least once a year the Group shall review its own performance and terms of reference to ensure it is operating at maximum effectiveness and will recommend any changes to ALT for approval.

7 Approval

- 7.1 This revised document was modified to reflect the new management structure following the service reviews and to recognise the link to the new management reporting structures.
- 7.2 The Terms of Reference were agreed by the Alliance Leadership Team on 1/7/2020 and by the Risk Management Group on 19/10/2020.
- 7.3 The risk strategy was reviewed by the Risk Management Group on 15th August 2023.