

# Risk Management Policy

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<b>Approved by</b>	Chief Executive/Portfolio Holder for Risk
<b>Owner</b>	Strategic Director
<b>Version</b>	002
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<b>Department</b>	Corporate Policy and Business Support
<b>Policy Review Date</b>	July 2025
<b>Equality Impact Assessment Date</b>	Not applicable

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## **1. Purpose**

### **1.1 What is the policy position?**

This policy sets out the Council's policy position in relation to managing risk.

### **1.2 What does it aim to achieve?**

This policy aims to manage risk effectively by providing Officers with clear guidelines within which to manage strategic, operational, partnership and project risks.

### **1.3 Does it replace an existing Policy?**

This policy replaces the Risk Management Policy (2015).

## **2. Scope**

### **2.1 Who does this policy apply to?**

Good corporate governance requires that risk management is embedded into the culture of the Council with Members and Officers managing risk at all levels and recognising that this is part of their job.

### **2.2 Does it underpin all policies, strategies and schemes, or is it specific to a particular Business Unit (BU)?**

A robust risk management culture requires widespread understanding of and commitment to risk management principles. Members and staff from all service areas need to be familiar with the Council's risk management arrangements and their own role and responsibilities.

## **3. Legal Framework**

### **3.1 What legislation is this policy associated with?**

Stevenage Borough Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The Council has a duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, Stevenage Borough Council is responsible for putting in place proper arrangements for the governance of its

affairs, facilitating the effective exercise of its functions, which include arrangements for the management of risk.

The Council is statutorily required to produce an Annual Governance Statement each year which explains the processes and procedures in place to enable the Council to carry out its functions effectively. This includes ensuring the Council has effective risk management arrangements in place.

### **3.2 What are the legislative requirements that the Council must fulfil?**

The CIPFA/SOLACE *Delivering Good Governance in Local Government Framework* sets the standard for local authority governance in the UK. The concept underpinning the framework is to support local government in developing and shaping an informed approach to governance, aimed at achieving the highest standards of governance in a measured and proportionate way.

Having effective Risk Management arrangements is a key aspect of the above-mentioned framework. Principle F of the framework identifies that *public bodies should manage risks and performance through robust internal control and strong public financial management*. This risk management policy and associated processes outlined in the Risk Management Guide will enable the Council to have the expected arrangements and behaviours expected of public bodies as set out in the framework.

The Annual Governance Statement is produced each year following a review of the Council's governance arrangements which includes a review of the management of the Council's risk arrangements against the requirements of the framework.

### **3.2 Is there anything above and beyond the legislative requirements that the council is committing to?**

Not applicable.

## **4. Policy**

### **4.1 Introduction**

Good corporate governance requires mechanisms to be in place for the identification and management of risk. There must be a clear focus on risks that can prevent the Council from achieving its priorities as set out in the Council's Corporate Plan (Strategic Risks), delivering services as planned (Operational Risks) and fulfilling its statutory duties. This Policy seeks to provide a mechanism for the management of these risks.

Good corporate governance requires that risk management is embedded into the culture of the Council with Members and Officers managing risk at all levels and recognising that this is part of their job. It is important that the nature of how the Council delivers services is acknowledged.

## **4.2 What is Risk Management?**

Risk management is fundamentally about making better decisions. It is an integral part of good planning and transparent decision making at both an operational and strategic level. It is essential to the effective use of resources, providing assurance that the Council has a sound system of internal control and robust corporate governance arrangements. Management of risk also plays an important role in protecting the Council's reputation and assets and in managing key partnerships and projects.

A robust risk management culture requires widespread understanding of and commitment to risk management principles. Members and staff need to be familiar with the Council's risk management arrangements and their own role and responsibilities.

## **4.3 Benefits of Effective Risk Management**

The benefits of a culture where consideration and management of risk is fully integrated in day-to-day decision-making are clear:

- Increased likelihood of achieving strategic and operational objectives
- Better planning and prioritisation of resources
- Early warning of potential problems
- Proactive approach to uncertainty
- Improved stakeholder confidence
- Better management of partnership arrangements
- Informed balance between innovation and risk avoidance
- Ability to identify and take advantage of opportunities
- Demonstrates openness, integrity and accountability

## **4.4 How Will We Achieve This?**

The Council will achieve these benefits by:

- Regularly reviewing the scope of risk management across the Council and its key partners.

- Ensuring a consistent framework is in place for determining, analysing, and managing risk to ensure all reasonable steps are taken to mitigate risk and ensure the level of risk accepted is balanced against the expected reward.
- Ensuring risk management remains integral to the Council's culture, values, and behaviours, and is mandatory.
- Raising awareness and reinforcing the importance of the Council's risk management arrangements and the benefits to staff, elected members and stakeholders, and providing guidance and comprehensive training and sharing good practice. This will also develop awareness and a common understanding of the Council's expectations.
- Establishing clear responsibilities, accountabilities and reporting lines.
- Incorporating risk management into business planning, procurement, project management, budget monitoring, decision making and operational processes.
- Undertaking regular monitoring and reporting of risk to identify the threats and opportunities facing the Council, as well as anticipating and responding to changing social and legislative requirements, minimising the impact and likelihood of risks occurring and to reduce the cost of risk.
- Having a Corporate Risk Group which meets quarterly to review the Council's risk management arrangements, review the Council's Strategic and Operational risks, as well as review high health and safety risks and compliance of the Council's facilities and estates and escalate any areas of concern to the SLT as required.
- Reports on the Council's strategic risks to SLT, Audit Committee and Executive quarterly.

## **5. Consultation**

- 5.1** Due to the internal nature of this Policy, consultation is not required.

## **6. Monitoring and Review**

- 6.1** This policy will be reviewed by the Corporate Performance and Improvement Officer and monitored by Corporate Risk Group on a bi-annual basis. The purpose of the monitoring will be to ensure that the original aims of the policy are met, and where this is not the case appropriate mechanisms put in place to ensure a solution is found and lessons learned.

This policy will be reviewed every 2 years to assess if it is still relevant and fit for purpose. The process for reviewing the policy will be determined by the policy owner and any material changes (10% or more) will require the policy to be

submitted for re-approval in-line with the original approval process (Chief Executive/Portfolio Holder for Risk).

## 7. References and Resources

- [Delivering Good Governance in Local Government Framework 2016 Edition | CIPFA](#)
- Stevenage Borough Council's Risk Management Guide

## 8. Signatures



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Chief Executive

Date: 22/04/2024

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Portfolio Holder for Risk

Date .....