



STOTFOLD TOWN COUNCIL

RISK MANAGEMENT STRATEGY 2025

1. Introduction

- 1.1 Effective risk management is essential for ensuring the resilience and success of the council. This strategy provides a structured approach to identifying, assessing, and mitigating risks that may impact operations, finances, and reputation. It aligns with the council's risk register and ensures a consistent approach to managing risks at all levels

2. What is Risk Management?

- 2.1 ***'Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated, and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.'*** Audit Commission, Worth the Risk: Improving Risk Management in Local Government (2001:5)

- 2.2 Risk management is an essential feature of good governance, contributing to improved decision making and the achieving of objectives. When embedded within the existing planning and decision-making process, risk management provides a basis for ensuring implications are thought through, and ensures that the impact of decisions, initiatives and projects are considered, and that conflicts are balanced. This will influence success and improve service delivery.

2.3 Risk Management Benefits:

- Protecting and adding value to the Council and its stakeholders by supporting the achievement of the Council's aims and objectives.
- Improved strategic, operational, and financial management.
- Ensuring future activity takes place in a consistent and controlled manner.
- Improved decision making, planning and prioritisation.
- Mitigation of key threats and taking advantage of key opportunities.
- Contributing to more efficient use/allocation of resources.
- Protecting and enhancing assets and image.
- Optimising operational efficiency and therefore delivering efficiency gains and value for money.
- Allocating time and management effort to major issues.
- Avoiding shocks and crises.
- Safeguarding tangible and intangible assets.
- Promotion of innovation and change.
- Improved customer service delivery.

It is therefore vital to recognise that risk management is not simply about health and safety but applies to all aspects of the Council's work.

- 2.4 Risks can be classified into various types, but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working. The examples below are not exhaustive:

- **Strategic Risks** – Risks affecting long-term planning and policy objectives.
- **Operational Risks** – Risks arising from daily activities, including service delivery.
- **Financial Risks** – Risks affecting the council's financial stability and resources.
- **Compliance Risks** – Risks of failing to adhere to legal, regulatory, or internal policies.
- **Reputational Risks** – Risks that could negatively impact public perception and stakeholder confidence.

3. Objectives

3.1 The objectives of this strategy are to:

- Identify, evaluate, and manage risks systematically.
- Integrate risk management into decision-making and strategic planning.
- Foster a culture of risk awareness across the organization.
- Ensure compliance with legal, regulatory, and financial requirements.
- Provide a framework for monitoring and reporting risks effectively.

These objectives will be achieved by:

- 3.2 Effective risk management provides numerous benefits, including:
- Supporting the achievement of the council's aims and objectives.
 - Enhancing strategic, operational, and financial decision-making.
 - Ensuring a consistent and controlled approach to future activities.
 - Strengthening planning, prioritization, and resource allocation.
 - Reducing key threats while maximizing opportunities.
 - Enhancing the protection and reputation of council assets.
 - Driving operational efficiency, cost savings, and value for money.
 - Allowing management to focus on critical issues.
 - Minimizing the likelihood of unexpected crises or disruptions.
 - Safeguarding both tangible and intangible council resources.
 - Encouraging innovation and adaptability.
 - Improving overall service delivery to residents and stakeholders.

4. Why does the Council need a Risk Management Strategy?

- 4.1 Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided.
- 4.2 The Risk Management Strategy will help to ensure that all Committees across the Council understand 'risk' and that the Council adopts a uniform approach to identifying and prioritising risks. This should in turn lead to conscious choices as to the most appropriate method of dealing with each risk, be it elimination, reduction, transfer, or acceptance.
- 4.3 The Risk Management Strategy provides assurances to members and officers on the adequacy of arrangements for the conduct of business and the use of resources. Implementation of the strategy leads to greater risk awareness and improved control, which should mean fewer incidents and control failures and, in some cases, lower insurance premiums.
- 4.4 There is an Audit requirement under the Accounts and Audit Regulations 2003 (SI 2003/533) to establish and maintain a systematic strategy, framework, and process for managing risk. Risks and their control will be collated in a Risk Register. A statement about

the system of internal control and the management of risk will be included as part of the Annual Statement of Accounts.

5. Risk Management Framework

The council follows a structured four-step approach:

- a) Risk Identification – Recognizing potential threats and opportunities that may affect the council's ability to achieve its objectives.
- b) Risk Assessment – Evaluating the likelihood and impact of identified risks.
- c) Risk Mitigation – Implementing appropriate measures to manage risks.
- d) Monitoring & Review – Regularly reviewing risks and updating strategies accordingly.

6. What is the Risk Management Process?

6.1 Implementing the Strategy involves identifying, analysing/prioritising, managing, and monitoring risks.

6.2 **Risk Identification** – identifying and understanding the hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed. All risks identified will be recorded in the Council's Risk Register.

6.3 **Risk Analysis** – once risks have been identified they need to be systematically and accurately assessed using proven techniques. Analysis should make full use of any available data on the potential frequency of events and their consequences. If a risk is seen to be unacceptable, then steps need to be taken to control it or respond to it.

The information generated from applying the risk management process will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover and the balance to be reached between self-insurance and external protection.

Probability of Occurrence

Category	Probability	Possible Indicators
Almost Certain (4)	>90%	Frequent occurrence
Likely (3)	>60%	Regular occurrence
Possible (2)	>10%	Occasional occurrence
Unlikely (1)	<10%	Has never occurred

Evaluation of Impact

Impact on Performance	Risk Threat
Major (4)	Financial implication >£25,000 Fatality, disability, injuries to staff, councillors or public Adverse national media External intervention Total service disruption Extensive legal action against the Council
Serious (3)	Financial implication >£15,000 Adverse local media Extensive public comments

	Significant service disruption Failure to deliver projects Injuries to public, councillors, or staff Legal action against the council
Significant (2)	Financial impact >£5,000 Adverse service user complaints Service disruption Minor injuries and near misses to staff, councillors or public
Minor (1)	Financial impact <£5,000 Isolated complaints Minor service disruption

Priority Ranking

The ranking of an individual risk is calculated by a simple combination of its probability and impact

Risk Matrix

The risk, using the above impact and likelihood ratings can then be plotted onto the risk matrix and its classification identified.

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

Summary		Suggested Time Frame
12-25	High	As soon as possible
6-11	Medium	Within next 3-6 months
1-5	Low	Whenever viable to do so

7. Risk Mitigation Strategies

The council employs various risk mitigation strategies, including:

- Implementing policies and internal controls to manage risks proactively.
- Providing staff training to enhance risk awareness and response capabilities.
- Developing business continuity and emergency plans.
- Conducting regular audits and compliance checks.
- Engaging with external stakeholders to anticipate emerging risks.

8. Roles and Responsibilities

To ensure effective risk management, responsibilities are distributed as follows:

- **Council Members** – Provide oversight, set risk tolerance, and approve key risk management policies.
- **Town Clerk** – Oversees implementation, monitors risks, and reports to the council.
- **Department Heads** – Identify and manage risks within their areas, ensuring mitigation actions are in place.
- **All Staff** – Maintain risk awareness and report concerns promptly.

9. Conclusion

This strategy provides a clear framework for managing risks effectively, ensuring that the council remains resilient and well-prepared to address potential challenges. By embedding risk management into daily operations and decision-making, the council can achieve its objectives while maintaining public trust and accountability.

10. Alignment with other Policies of the Council

This Risk Management Strategy should be read in conjunction with the following Policies of the Council:

- Standing Orders
- Financial Regulations
- Risk Register

Revision History

Adopted	December 2014
Reviewed and updated	June 2024 Addition of risk evaluation matrix
Re-adopted	April 2025