PORTFOLIO HOLDER FINANCE RESOURCES AND ASSETS

DATE	10 December 2025
REPORT OF	Assistant Director Law and Governance
RESPONSIBLE OFFICER	Head of Audit and Assurance
SUBJECT	Risk Management Policy
STATUS	Open
FORWARD PLAN REF NO.	GENERAL EXCEPTION. Not included on the Forward Plan therefore, to be considered under the General Exception provisions of the Constitution

CONTRIBUTION TO OUR AIMS

Strong and effective risk management underpins the delivery of the Council's four priority areas, particularly "engaging and effective council".

EXECUTIVE SUMMARY

The updated Risk Management Policy, attached, lays out of the Council's approach to risk management, including statements of risk appetite and risk maturity. As it is a key Council policy it requires to be formally approved by the Portfolio Holder.

RECOMMENDATIONS

It is recommended that the Portfolio Holder approves the Risk Management Policy.

REASONS FOR DECISION

The Portfolio Holder for Finance, Resources and Assets holds the constitutional responsibility for corporate governance. Consequently he needs to be satisfied of the content of the Draft Risk Management Policy and its compilation, including assurance that it is in line with recognised practice.

1. BACKGROUND AND ISSUES

1.1 The Risk Management Policy attached, was last fully updated in 2020, but during 2025 was subject to significant review. The proposed changes to the Policy include risk appetite, risk maturity, the introduction of a new category of risk called 'corporate risk' and a minor change to the scoring system which differentiates between "High Risks" and "Very High Risks".

1.2 Details of the changes are outlined below:

- An exercise was carried out with the Assistant Director Group to set the Council's risk appetite. This was initially carried out by allocating a risk appetite category (included in the Policy) to the Council's outcomes. The results of this were then used to allocate a risk appetite category for each Council Plan theme as shown below:

  Stronger Economy – Open
  Stronger Communities – Hungry

Greener Futures – Open
Engaging and Effective Council – Open

- The Policy also includes a draft statement on the Council's current risk maturity based on the judgement of the Strategic Lead (Risk and Governance) and the Head of Audit and Assurance, for the Committee to consider. This has been defined as "Defined" (A common risk assessment/response framework is in place. An organisation-wide view of risk is provided to leadership, often in the form of a list of key risks. Action plans are implemented in response to high risks). It aspires to be "Integrated" by October 2027.

- The Policy also introduces a new category of risk named 'corporate risk'. These are day to day operational risks that could impact on the wider organisation. The introduction of such this category may lead to some strategic risks being re-categorised.

1.3 The Assurance Board has endorsed the draft Risk Management Policy while it was subject to consultation with the Audit and Governance Committee. Where applicable, their feedback has been incorporated into the final draft of the policy.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

There are no specific equality issues arriving from this report.

3. OTHER OPTIONS CONSIDERED

The other option is not to update the Policy. This is not recommended as the previous policy is due for review to bring it into line with current practice.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

The reputational impacts are a key component of the evaluation of risks. Having effective risk management arrangements contributes to managing and mitigating reputational risks.

5. FINANCIAL CONSIDERATIONS

There are no direct financial impacts relating to this report. However effective risk management arrangements contribute to managing financial risks.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

Risk and opportunities relating to children and young people are considered as part of risk management arrangements.

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

Risk and opportunities relating to climate change, nature recovery and environment are considered as part of risk management arrangements.

8. CONSULTATION WITH SCRUTINY

The draft policy was considered by the Audit and Governance Committee on 6 November 2025.

9. FINANCIAL IMPLICATIONS

Robust risk management arrangements are fundamental to the Council's ability to identify, assess, and mitigate risks and their associated financial impacts. This underpins the Council's financial sustainability and resilience, particularly in the context of ongoing budget discussions and the refresh of the Medium-Term Financial Plan.

10. LEGAL IMPLICATIONS

It is recognised that a robust and clear risk management policy is one of the tenets of good governance. The attached policy has been through the appropriate governance.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications contained within the report.

12. WARD IMPLICATIONS

The Policy relates to all Council activities and wards.

13. BACKGROUND PAPERS

None.

14. CONTACT OFFICER(S)

Peter Hanmer, Head of Audit and Assurance, (01472) 323799
Caroline Wilson, Strategic Lead (Risk and Governance), (01724) 605

COUNCILLOR HARNESS
PORTFOLIO HOLDER FOR FINANCE, RESOURCES AND ASSETS