HAILSHAM TOWN COUNCIL

Risk Management Strategy and Policy Statement 2023/2024

Background

Hailsham Town Council first adopted The Risk Management Strategy and Policy Statement 2009/2010 in March 2009 (Minute Ref FPR/08/4/267.1). The Council agreed to adopt the revised plan in March 2010, in December 2011, in March 2014, March 2016, November 2017 in February 2019 November 2020 and again in March 2022. This Revised Strategy and Policy Statement together with the detailed action plan and record of risks should be reviewed annually and the following statement provides an update for the Council to agree and adopt; to meet this requirement.

Introduction to Risk Management

In all types of undertaking, there is the potential for events and consequences that may either be opportunities for benefit or threats to success. Local councils are no different and risk management is increasingly recognised as being central to their strategic management.

Risk management is the process whereby local councils methodically address the risks associated with what they do and the services which they provide. The focus of good risk management is to identify what can go wrong and take proportionate steps to avoid this and successfully manage the consequences.

The Council faces risks to people, property and continued operations. The systematic management of risks therefore assists the Council in achieving its objectives by enabling the provision of a diverse range of services to the community and visitors to the area.

Not all risks the Council faces can be insured against and is not just about financial management: it is about ensuring the achievement of objectives set by the Council to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets, and eventually, on the local community's Council Tax Bills.

The importance of looking afresh at risks comes in the wake of a more demanding society, bold initiatives, and more challenge when things go wrong. It also arises because of the significant changes taking place because of the Government's localism agenda, which has resulted in more delegation of service delivery from principal authorities. Local Councils also face pressures, including those associated with attaining

and retaining Quality Status, the General Power of Competence, that potentially give rise to a range of new and complex risks, and which suggest that risk management is more important now than at any other time.

The first stage in the risk management process is to identify the risks to the Council's objectives (inherent risks). The Council classifies these risks as either strategic (risks that relate to doing the wrong thing) or operational (risks that relate to doing the right things in the wrong way). The risks are further sub-divided into political, reputation, information, financial, people and regulatory categories.

All the risks identified are evaluated in terms of their impact, likelihood of occurrence and proximity. Following the identification and evaluation process, the most appropriate and cost-effective solution is found to control the risks. The solutions will fall into one of four categories: tolerate; transfer; terminate; and treat. The risks are then re-evaluated considering the suggested mitigation (re-evaluated risks are called residual risks).

Risk Management in Service and Financial Plans

In providing the diverse services of the Council, officers and members manage risk continuously. To secure these services, many risk management techniques are employed. These include – and are not limited to – the co-ordination of insurable risks, techniques to address health and safety matters, threats to the environment, planning issues, management of social issues and financial management methods.

There is a need, however, to incorporate the management of risk in a Council Strategic Plan. A Strategic Plan could identify the Council's services, aims and objectives and is the most effective way of confirming the inherent risks and management of those risks associated with each service, aim or objective. The Plan can also identify the "risk owners" and how risks are to be reviewed and reported.

The management of risk must also be applied to all projects carried out by the Council, to ensure the objectives of the project are met.

Risk Management and Decision Making

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives, once established, and must consider all risks when making policy decisions, and review risks affecting all services on an annual basis.

The Council's Risk Management Policy ensures that it has a well-defined framework to support better decision making at a strategic level, once a business plan is established that incorporates a risk management approach. This will provide better decision making, through good understanding of risks and threats and their likely impact.

The Benefits of Risk Management

Risk management is regarded as an essential element of good governance and as an integral part of internal control. It provides the foundation for effective management

throughout the Council and focuses attention on the achievement of corporate objectives together with a consistent and structured approach to risk. Managing risk in this way delivers many other benefits to the Council as set out below:

The process provides a fully documented record of all major risks and opportunities.

The risk of positive initiatives not taking place is reduced and fewer opportunities will be missed. There is also greater innovation in seizing opportunities

Services can communicate their prioritised risks with members therefore enabling focus on those risks and properly evaluated risk decisions. There is also an enhanced ability to justify actions taken.

Services can anticipate emerging issues in an ongoing and organised manner before they reach unmanageable proportions.

To be effective risk management requires input and ideas from all the staff and members. This creates a culture of risk ownership.

Embedded risk management satisfies Corporate Governance requirements and enhances the Council's Corporate Governance regime.
The Council's reputation is protected and enhanced.

The Council will receive fewer complaints and will have more satisfied customers.

Income can be maximized, and expenditure reduced.

Summary of Risk Management Roles

Effective risk management can only be achieved when ownership of risks is allocated to appropriate risk owners within the Council. Without this, responsibility and authority for implementing control actions will not be clear.

The Role of Council Members

To consider and if appropriate approve the Risk Management Strategy and Policy Statement.
To consider the risk motivators and risk priorities.
To consider and if appropriate approve the action in response to risks proposed by officers.
To oversee the management of risk by Council officers.

The Role of the Town Clerk

To promote the Council's Risk Management Strategy, Policy Statement and framework.
To be responsible for managing the Council's key risks including the assessment of risks.
To encourage a culture of shared responsibility and open communication of risks.

The Role of Council Officers

To consider risk as part of everyday activities and provide input to the risk management process.
To manage risk effectively in their work in accordance with the Risk Management Strategy, Policy Statement and framework and report any threats or risks identified to the Town Clerk.

The Role of Internal Audit

To assist with the development and review of a Risk Management Strategy, Policy Statement, and framework.
To support the Council in developing and implementing risk management.
To provide independent assurance on the way risks are managed.

Conclusion

The Council faces several challenges because of the range of services it provides and because of the changes being faced by Local Councils. Risk management is therefore at the centre of the Council's management process. It provides a mechanism to identify, evaluate and control threats and risks to the Council's objectives and is the responsibility of every Council member and officer. Risk management is vital to the Council's efforts to deliver good governance and best value.

Risk Management Policy Statement

Hailsham Town Council provides a range of services to the community and visitors to the area. To secure these services, some amount of risk-taking is inevitable. However, the Council recognises that effective risk management will improve strategic, operational and financial management by helping to maximise opportunities, minimise losses and maximise resources for the services it provides.

It is the policy of the Council to adopt a risk process that supports better decision making through understanding of risks, whether a positive opportunity or negative threat and their likely impact.

The policy seeks to confirm the commitment of the Council to a risk managed culture by ensuring that every member and employee has regard for the management of risks in the decision-making process and everyday work situations. The Council is committed to the management of risks to:

- Achieve its Aims and Objectives.

- Ensure compliance with statutory obligations.

- Safeguard its employees, members, service users and all other persons to whom the Council has a duty of care.

- Protect its assets, including property, equipment, vehicles, other resources and reduce associated losses and claims.

- Maintain effective control of public funds.

- Improve performance and service delivery.

- Minimise waste, fraud, and poor value for money.

- Support better project management.

- Promote the reputation of the Council.

This policy statement has the support of the Council, which recognises that achievement of these identified risk management objectives will benefit the whole community.

Hailsham Town Council Risk Management Strategy - Action Plan

Action	Deadline	Actioned By	Progress	Actual Completion	Review and Comments
Hailsham Town Council to review and adopt the updated Risk Management Strategy and Register.	Jan 2024	Deputy Town Clerk/Town Councillors	Strategy and Risk Register presented to Council in Nov 2022		For consideration at Council in Jan 2024
Ongoing Review of all Council services built into budgetting processes	Jan 2024	Town Clerk/Town Councillors			Review all services/risks annually and report to Meetings as appropriate
Take appropriate action to reduce, transfer, terminate or tolerate risks identified	On-Going	Town Clerk/Officer Team	Action has already taken place where risks have been identified in the past.		
Log all risks and actions taken	On-Going	Town Clerk/Officer Team	log has been set up following all assessment.		
To review the Council Strategic Plan to ensure incorporating the risks associated with each service.	On-Going	Town Clerk/Town Councillors			

Hailsham Town Council Risk Management – Strategic Risk Assessment Log – November 2022

Specific Risk	Actions Taken	Actions Needed	Actioned by
1. Inability to recruit and retain staff may result in the non-delivery of services.	Maintenance of National Terms and Conditions. Regular review of staffing structure and responsibilities.	Staff Development and Training system operated.	Town Clerk
2. Inability to manage during periods of change and with a lack of experienced, qualified managers.	Strategic Plan produced	Update Strategic Plan to include Staff Development and Training system operated.	Town Clerk Councillors
3. Risk of violence to staff.	Panic alarm in reception. Lone working policy implemented.	Lone Working Policy update and refresh	Deputy Town Clerk
4. Lack of Business Continuity and Disaster Recovery Plans, to cover a large-scale internal disaster; that may result in prolonged service downtime and loss of reputation. This may not only involve IT technology type scenarios, but also premises and equipment.	Data storage and backup system upgraded and revised.	Establish a Working Party to set up a Disaster Recovery Plan, including off-site data backup.	Town Clerk
5. Contractors responsible for providing major Council services may fail to deliver required standards as determined by the contract conditions.	Only well-established contractors used ('Approved Suppliers List', and references and risk assessments checked.	Continue to monitor contractors	Town Clerk
6. Failure to maintain the required standards for the Council's re-accreditation of Quality Status in the future.	Town Clerk needs to be CiLCA qualified.	Review all the criteria and make necessary changes etc to meet the on-going challenges. (Pending publishing of new criteria)	Town Clerk councillors
7. Failure to maintain the	Regular meetings	Ensure adequate	Town Clerk

required standards for the proper governance of the Council.	between Chairman of Council and Clerk/Deputy Town Clerk of Council. Ensure council receives regular up to date information from NALC etc regarding governance, roles etc	leadership, training, and staff management. Implement training and develop of staff through staff appraisal system.	Council Chairman
8. Failure to comply with relevant legislation.	New policies produced and implemented. Risk Assessments carried out regularly.	Training required. The Town Clerk to implement review processes	Town Clerk
9. Inability to meet increasing demands/expectations within resources available.	Budget review annually to make the best use of resources. The core activities of the council are identified and given precedence in allocation of the council's human resources and annual strategic plan. Council Project Management Log implemented	Council Strategic plan in place and 5 year budget plan included. Adequate financial reserves held to meet unforeseen expenditure (6% of overall budget as required). Commuted sums retained on deposit to provide further financial reserves in the case of emergency.	Town Clerk councillors
10. Inability to maintain existing services, because of budget cuts and/or introduction of new services .	Budget review annually to allocate sufficient resources. The core activities of the council are identified and given precedence in allocation of the council's financial resources. Regular reports are submitted to Council/relevant	As part of the appraisal of any potential new services the impact on existing services should be fully understood before any decisions are made.	Town Clerk councillors

	committee comparing actual expenditure to date to budget. Budgets are set with due regard to previous expenditure levels, inflationary pressures and foreseeable variations in service levels, costs and other factors.		
11. That the council's finances are run effectively and efficiently	In addition to internal management checks and controls, the council's internal auditor carries out annual financial and systems audit through the agreed internal audit programme. External audit is carried out by Council's Auditors	Ensure Internal Auditor appointed, and internal audit programme agreed. Ensure relevant documents and returns made to external auditor in accordance with their requirements.	RFO
12. Protection of council against theft by officers or former officers of the council	Council has fidelity insurance		
13. Loss of computerized financial records and other records	The council has an approved back-up system for its computerised records.		Town Clerk
14. Council's business is protected against loss, damage and claims made upon it	Council has a combined insurance policy for buildings, property, employers and public liability	Continuous review of insurance cover, terms and valuations of insured buildings.	Town Clerk
15. Failure to comply with Health and Safety legislation	Council has a comprehensive Health and Safety Risk Assessment Process for its activities and processes	Continuous review and updating of Risk assessments	Deputy Town Clerk
16. Central Administration: Council	Town Clerk is supported by Deputy		Town Clerk

has in place sufficient qualified or experienced staff to operate and manage its activities and structures are in place to protect operations against loss of a key member of staff	Town Clerk to deputise in their absence. Key administrative staff have assigned duties but are multi-skilled and there is shared knowledge of roles to ensure continuation of operation in the event of a member of staff being unavailable to carry out their duties. Written procedure notes produced for key duties. Staff Structures are incorporated into the remit of a council committee to ensure effective review and approval of recruitment as required. Budget Allocation is made to staff (and member) training each year to ensure training needs can be met.		
17. Grounds Maintenance/Grass Cutting – contractor goes into liquidation or tender price on contracts rises significantly	Renewal of contracts to be undertaken in sufficient time for budgets to be amended if necessary – this process to be built into ongoing budgeting processes.		Town Clerk Deputy Town Clerk
18. Land – loss of land or public open space through encroachment,	Boundaries of area are known and recorded/mapped.	Mapping programme ongoing.	Town Clerk

adverse possession etc	Ongoing programme of inspection of council owned POS		
19. Litigation against council	Council has Public Liability and Employer's Liability Insurance.

Council has ongoing relationship with local law Firm that has knowledge of the council's services and processes. | | Town Clerk |
| 20.Pandemic | Scheme of delegation established | Review the need for a specific reserve fund to manage through a national crisis such as a pandemic | Town Clerk |
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