Adopted: June 2026
Next Review: June 2027

WESTERLEIGH & COALPIT HEATH PARISH COUNCIL RISK MANAGEMENT POLICY & STRATEGY

This policy was first approved by Westerleigh Parish Council on 9th January 2023 and is reviewed annually in June.

1. Legal context

1.1 Westerleigh & Coalpit Heath Parish Council has adopted this Risk Management Policy and Strategy in accordance with guidance set out in Governance and Accountability for Local Councils - a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG) 2022, and also to comply with the Health and Safety at Work Act 1974. It should be read in conjunction with the Council's Health and Safety Policy.

2. The purpose of this policy

2.1 This policy sets out how the Council will identify, assess and manage risks. This policy allows stakeholders to have increased confidence in the Council's corporate governance arrangements and its ability to deliver its services and priorities and to maintain its integrity.

3. Background

3.1 Risk is an uncertain event or condition (not just financial) that, if it occurs, will have an effect on the achievement of Westerleigh & Coalpit Heath Parish Council's objectives and possibly impact on its reputation.

3.2 Risk management is the process whereby the Council methodically addresses the risks associated with what it does and the services it provides. The focus of risk management is to identify what can go wrong and take proportionate steps to minimise the impact of the risks identified, or successfully manage the consequences if the risks occur. Effective risk management allows stakeholders to have increased confidence in the Council's corporate governance arrangements and its ability to deliver its services priorities.

3.3 Risk management is not just about financial management; it is about protecting the ability of the Council to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, and can impact on the ability to achieve desired outcomes. The Council generally and members individually are responsible for risk management of the activities associated with the running of the Parish Council.

3.4 Risk management is an ongoing activity that comprises four elements: identifying risks; assessing risks (likelihood and impact); managing the risks to a level which is as low as reasonably practicable; and reviewing and reporting.

4. Identifying risks

4.1 In order to manage risk, the Council needs to know what risks it faces. Identifying risks is therefore the first step in the risk management process and is carried out as a minimum on a yearly basis and when a risk is identified during the course of Parish Council work.

4.2 The Council will identify the key risks to successfully achieving its outcomes and services, in the following categories:

a) Financial – loss of money;
b) Security - fraud, theft, embezzlement;

c) Property - damage to property, accidents, health and safety;

d) Legal - breaking the law or being sued;

e) IT – failure of IT systems or misuse or data loss; and

f) Reputational - actions taken could harm the authority's public reputation.

4.3 In addition, health and safety/ general risk assessments are carried out for Council facilities and for any new services and events, in line with the requirements of the Council's insurers, the Council's Financial Regulations and Health and Safety Policy. Assessments are carried out by the Clerk, drawing on the expertise of Councillors.

5. Assessing risks

5.1 Having identified potential risks, the Council assesses the likelihood of it happening and the impact it would have, using JPAG's recommended assessment process. This allows the Council to identify low, medium and high risks when considering the measures it should take.

5.2 Westerleigh & Coalpit Heath Parish Council's risk assessment matrix:

Likelihood

Highly Likely (3)	Medium (3)	High (6)	Very high (9)
Possible (2)	Low (2)	Medium (4)	High (6)
Unlikely (1)	Very low (1)	Low (2)	Medium (3)
	Negligible (1)	Moderate (2)	Severe (3)

Impact on the Council and residents

6. Managing risks

6.1. Risk is unavoidable, and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The response to risk, which is initiated within the Council, is called 'internal control' and may involve one or more of the following standard responses:

Tolerate	For risks that are containable; where the possible controls cannot be justified (e.g. they would be disproportionate) and where risks are unavoidable e.g. terrorism.
Treat	Imposing controls so that the organisation can continue to operate; or introducing measures to deal with the risk by reducing either the probability of the risk occurring or the impact if it does occur.
Transfer	Buying in a service from a specialist external body to manage the risk or taking out insurance. Some risks cannot be transferred, especially reputational risk.
Terminate	Avoiding or cancelling activities where no response can bring the risk to an acceptable level.

6.2 The Council will use insurance (transfer risk) to help manage risks including the following:

a) The protection of physical assets owned by the authority – buildings, furniture, equipment, etc. (loss or damage);

b) The risk of damage to third party property or individuals as a consequence of the authority providing services or amenities to the public (public liability);
c) The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss);
d) Loss of cash through theft or dishonesty (fidelity guarantee);
e) Legal liability as a consequence of asset ownership (public liability);
f) Legal liability as an employer (employer liability).

6.3 The limited staff resources available to the Council means that it works with specialist external bodies to help manage risk including the following:

a) Maintenance for vulnerable buildings, amenities or equipment;
b) Inspection of play areas and trees;
c) The provision of services being carried out under agency/partnership agreements with principal authorities;
d) Banking arrangements, including borrowing or lending;
e) Professional services (planning, architects, design, arboriculture, solicitors etc.).

7. Reviewing and reporting

7.1 Having identified likely risks, the Council records these in the Westerleigh & Coalpit Heath Parish Council Risk Assessment Schedule. This schedule is kept under review by the Clerk and is reported to Full Council at least once a year, in June.

7.2 The Council seeks advice and guidance on risk management from its insurers Zurich[1], the National Association of Local Councils, the Society of Local Council Clerks and other training providers. The Council provides training for its staff through the ILCA and CiLCA qualifications and additional specialist training where appropriate.

[1] Insurers: Zurich Municpal. (Zurich Town, Parish and Community Council Team, PO Box 726, Chichester PO19 9PS. Period of insurance: 1st June 2024 to 31st May 2025.)