TONBRIDGE AND MALLING BOROUGH COUNCIL

RISK MANAGEMENT GUIDANCE

CONTENTS   **PAGE NUMBER**

TONBRIDGE AND MALLING BOROUGH COUNCIL

RISK MANAGEMENT GUIDANCE

1. Introduction

1.1. Tonbridge and Malling Borough Council (the Council) has an approved Risk Management Strategy (the Strategy) and this guidance should be read in conjunction with this Strategy.

1.2. The aim of this guidance is two-fold; to specify how the Council will deliver its objectives as outlined in the Strategy and provide guidance on how to effectively manage and monitor risk.

2. Achieving strategy objectives

2.1. The Council shall achieve its objectives, as outlined in the Strategy, through:

- Integrating effective risk management practices into the Council's management, transformation, decision making and planning activities.
- Maintaining the frequency and effectiveness of monitoring of key risks.
- Providing sufficient risk management training, awareness sessions and support for both Members and Officers of the Council in order to ensure compliance with the Strategy.
- Ensuring links between audit planning and risk management processes to enable assurance on the effectiveness of risk management across the Council.
- Subjecting the Council's risk strategy, guidance and practice to annual review to ensure ongoing effectiveness of risk management.
- Provide robust monitoring and challenge on risks and there mitigating actions.
- Working with internal and external partners and providers to ensure that effective risk management arrangements are in place to protect the Council.
- Providing guidance on identifying, assessing, managing and reporting on risk, including escalation of risks.
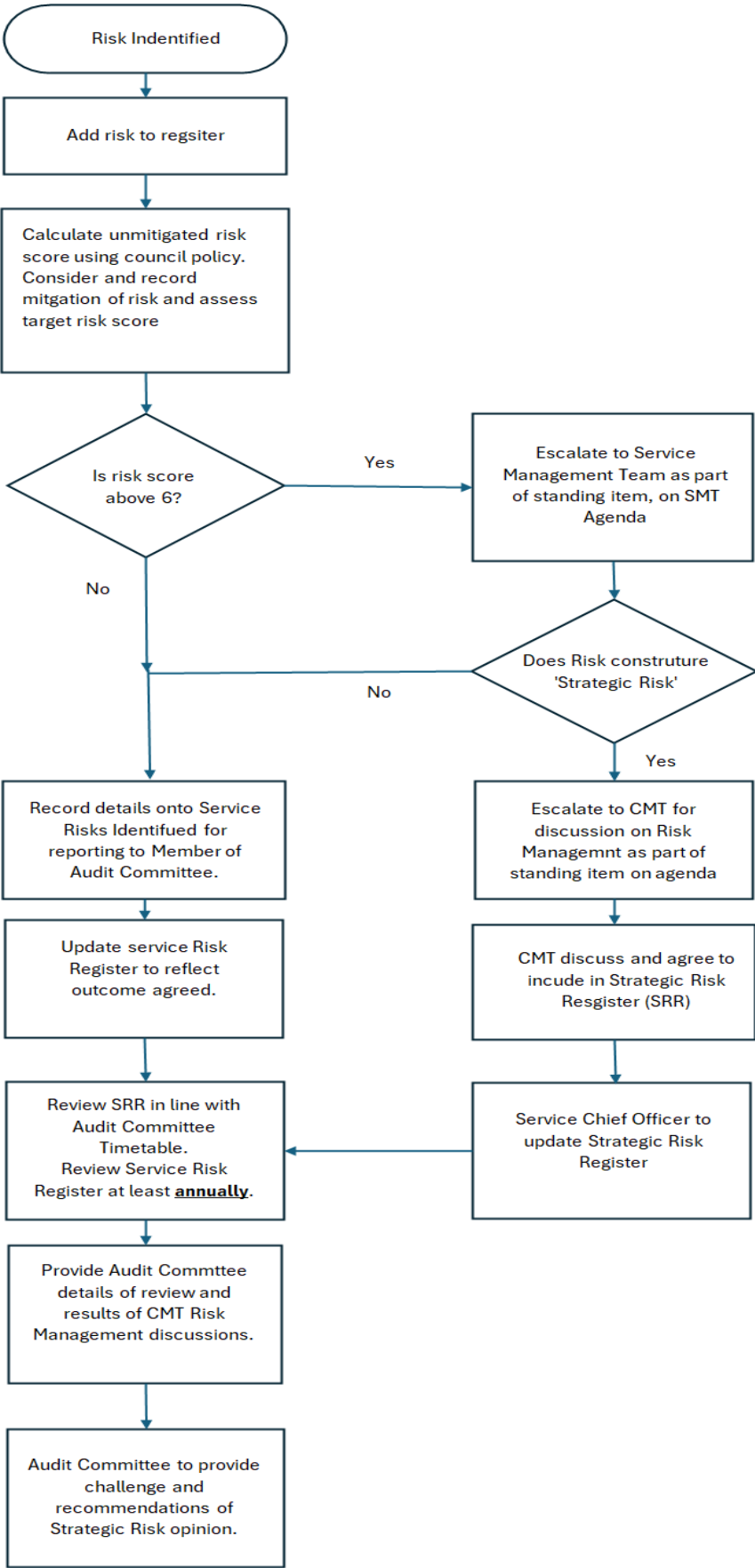
3. Risk Management Process

3.1. The risk management process is a circular effect being the following

- Identify the risk
- Assess the impact of that risk
- Evaluate and score the risk
- Escalate the risk where necessary
- Allocate mitigation and take action
- Monitor the risk

4.   Risk management at a glance

4.1.   The following process flow diagram visually demonstrates the risk management process that should be followed by officers.

Risk Indentified

Add risk to regsiter

Calculate unmitigated risk score using council policy. Consider and record mitgation of risk and assess target risk score

Is risk score above 6?

Yes → Escalate to Service Management Team as part of standing item, on SMT Agenda

No

Does Risk construture 'Strategic Risk'

No

Yes

Record details onto Service Risks Identifued for reporting to Member of Audit Committee.

Escalate to CMT for discussion on Risk Managemnt as part of standing item on agenda

Update service Risk Register to reflect outcome agreed.

CMT discuss and agree to incude in Strategic Risk Resgister (SRR)

Review SRR in line with Audit Committee Timetable. Review Service Risk Register at least **annually**.

Service Chief Officer to update Strategic Risk Register

Provide Audit Commttee details of review and results of CMT Risk Management discussions.

Audit Committee to provide challenge and recommendations of Strategic Risk opinion.

5. Identifying and Assessing risks

5.1. Risk is something that might happen, which if it materialises will affect us in some way or other. A risk is a combination of 'likelihood' and 'impact', that is; how likely the risk is to happen and if it did how much would it affect us. Where a risk is identified it should be recorded on the services risk register, see Appendix A. This Register should be considered a 'live' document and therefore be a process of continually review and update.

5.2. Before evaluating the level of risk associated with an activity you should determine what could trigger the risk assess what the consequences may be if it did occur, i.e. identify the risk event. In doing so you should be mindful of the potential timeframes of this risk occurring and focus on a period of no longer than two years in the future, after this period risks are considered speculative.

5.3. The Council classifies risk into the distinct types;

- Financial – Those that have a monetary impact on the Council.
- Reputational – Those that have an impact on the public perception of the Council, this could be from a regulatory, environmental or service delivery perspective.
- Health and Safety – Those that have an impact on the health and safety of the public or officers of the council.

5.4. The risk assessment should then determine the consequences of failing to act on this risk.

6. The Risk Register

6.1. Following a recommendation from Zurich in 2024, the Council uses a single format of risk register to cover, operational, service and strategic risk.

6.2. The format of the register can be found in Annex 1 to this guidance note along with details of what needs to be included on the register in line with the guidance offered below.

7. Evaluating and Scoring the risks

7.1. Once you have identified the risk and the potential consequences and impacts, the risk needs to be scored.

7.2. The Council has now adopted the national model of a 5 x 5 matrix, this matrix will be used for Health and Safety and Business Continuity process. The table below give the four levels of risk and the scoring matrix.

LOW	MEDIUM LOW	MEDIUM HIGH	HIGH
1 – 3	4 – 6	7 – 12	13 – 25

7.3. Each risk should initially be considered in its rawest form, prior to any mitigation that you may have in place to eliminate or reduce the risk.

7.4. Using the table below and the examples given in Appendix A of this guidance note, managers should consider the likelihood and impact of each risk identified.

Score	Likelihood	1	2	3	4	5
Impact	Description	Rare	Unlikely	Resonably Possible	Likely	Almost Certain
1	Low	1	2	3	4	5
2	Moderate	2	4	6	8	10
3	Significant	3	6	9	12	15
4	Severe	4	8	12	16	20
5	Catastrophic	5	10	15	20	25

7.5. You can then calculate the overall risk score by multiplying the likelihood score by the impact score. The score should then be assessed as red, amber, yellow or green.

7.6. However, once the unmitigated risk has been calculated managers should then include the mitigations, if any, that have been put in place in order to reduce the risk to what is considered the current level.

7.7. Using the 5 x 5 matrix rescore the issue to give the current level of accepted risk.

7.8. Amber risks, those scoring between 8 and 12, should be raised at Service Management Team, added to the Service Risks identified list which can be found on the [Strategic Risk Register Sharepoint Site](#).

7.9. Red risks, those scoring 15 to 25, should be considered by Service Management Teams for potential escalation Corporate Management Team for inclusion onto the Strategic Risk Register (SRR), see the section on escalation later in this guidance note. If agreed the Chief Officer raising the concern should add the details required to the SRR.

7.10. Managers should then consider mitigating factors that are in place to reduce the impact of the initial risk scoring, examples that can be used are existing policies and strategies within the Council such as lone working, whistle blowing or training course offered to staff.

7.11.   Using these mitigations managers should then consider the potential changes to both the likelihood and impact scoring and adjust accordingly, if the mitigations do not impact on the initial score, further discussions should take place with your Service Management Team.

7.12.   Services should then document the actions required to ensure that the identified mitigation remains, this could include examples as ensuring that training of staff is relevant and that the policies are regularly reviewed and published.

7.13.   Any links to corporate objectives or strategies should be identified and listed along with the service lead and the date of next review.

7.14.   Service Risk registers should be reviewed regularly but be subject to peer review at Service Management Team on an annual basis. These reviews should be documented and included within the minutes of the Service Management Team.

8.   Escalating risks

8.1.   Where a risk has been identified the service should consider whether the risk should be escalated to either Service Management Team or onto Corporate Management Team.

8.2.   It is suggested that the following process should be followed.

Low (Green) Risk	Managed within Service Team
Medium Low (Yellow) Risk	Managed within Service Team but regularly reviewed
Medium High (Amber) Risk	Escalate to Service Management Team with consideration to raise at Corporate Management Team
High (Red) Risk	Full Discussion at Service Management Team and Consideration by Corporate Management Team with potential inclusion on Strategic Risk Register.

8.3.   Where a risk is identified in having an impact onto the Strategic operations of the Authority the Chief Officer should raise their concerned at the next Corporate Management Team.

8.4.   Where Corporate Management Team that the risk identified is of a strategic impact, the Chief Officer should add the risk onto the Strategic Risk Register (SRR) for sharing with Members of the Audit Committee. The Strategic Risk Register can be found at TMBC Strategic Risk Register - Home (sharepoint.com).

8.5.   Where the risk is not considered of a strategic nature but does have major service implications it the Chief Officer should add the risk to the Service Risks Identified which can be found in the same location as the SRR. These risks are reported to the Audit Committee as examples of issues within Services but not high enough to escalate to Strategic Risk.

9.   Allocating risks and determining actions

9.1.   Any risk identified should be allocated a lead officer, the allocation will depend on the type and severity. This lead officer will be responsible for monitoring and scoring the risk.

9.2.   The table below suggested the ownership of the of risks depending on the levels and location of the risk.

Location of Risk	Level	Suggested owner
Strategic Risk Register	All Levels	Member of Management Team
Service Risk Register	Amber and Above	Service Management Team
Service Risk Register	Yellow and Green	Service Manager

9.3.   Once the risk has been allocated those responsible should then consider how that risk is to be managed, taking into account the mitigation that has bee put in place, these actions are;

- Terminate – Stop the activity that gave rise to the risk.
- Tolerate – Accept the risk but ensure that the mitigation identified is robust and remains in place.
- Transfer – Transfer the risk to a third party, this could be through insurance or contracting out, although the responsibility will remain with the Council but will act as mitigation.
- Treat – Put in place controls and contingency plans to reduce the risk levels to an acceptable level.

10.   Monitoring Risks

10.1.   Risks should be continuously monitored, as unmanaged risks can prevent the Council from achieving its objectives.

10.2.   As a minimum Service Risk Registers should be reviewed by the Service Management Team on an annual basis, with weekly discussion on risks identification being minuted as part of service Management Teams.

10.3.   Strategic Risk should also be discussed and minuted as part of Corporate Management Team, with quarterly monitoring taking place in order to report current identified risks and their scores to Member of Audit Committee at their scheduled meetings.

10.4.   As part of the discussions at both SMT's and CMT the following needs to be considered

- Changing Risks – Is the risk still appropriate and relevant to the Council.
- Escalation or De-escalation – has the risk levels changed due to the situation changing, this could be an increase or decrease in scoring requiring the change.

- Changing landscape – have any new risks be identified.
- Process – are procedures in place to carrying out regular reviews.
- Challenge – Are the risks stale.
- Control Measures – Are these still in place and can they be relied on.
- Scoring – Does the scoring and therefore risk level seem right when compared with other risks.

11. Proximity of risk

11.1. As mentioned above the registers should only consider events that could occur within two year time frame. Some risks will have higher priorities than others, either due to timing or severity.

11.2. Priorities can be categorised as follows:
- Immediate – Risk likely to occur / most severe within the next 6 months
- Medium Term - Risk likely to occur / most severe between 6 to 12 months
- Long Term - Risk likely to occur / most severe 12 months plus

11.3. Where risks are considered immediate or medium term priorities management should ensure that any mitigation required to reduce or eliminate the risk should be acted upon immediately and maintained until the risk is no of concern. Longer term risks may require additional work to fully mitigate or eliminate risk but time scales should be given to implement these factors and these should also be closely monitored.

Appendix A - Determining Likelihood and Impact

	Likelihood	Example – winter weather
Almost Certain	• Is expected to happen	• Rain
Likely	• More likely to happen than not	• Strong winds
Reasonably Possible	• Strong possibility it will happen	• Snow
Unlikely	• This could happen	• Flooding
Rare	• Once in a lifetime occurrence	• Thames freezes over

Impact

Score	Description	Health and Safety - Examples	Reputational - Examples	Financial - Examples
1 Low	Minimal or no impact	Some distress caused, very minor injury	No Media coverage / minor complaints/minor non-compliance to internal standards	Financial loss or overspend of below £10k
2 Moderate	Limited impact, easily recoverable	Mild injury or illness leading to less than three days absence	Adverse local media / negative local opinion / formal complaints. Failure to meet internal standards, <24 hrs Service Disruption	Financial loss or overspend of more than £10k
3 Significant	Noticeable impact, requires some resources to address	Injury or illness requiring medical attention leading to more than 7 days absence	Adverse local & national media / member or senior staff position threatened. Failure to meet Professional and National Standards, Serious Service Disruption for less than 24hrs.	Financial loss or overspend of more than £50k
4 Severe	Significant impact, requiring substantial resources and effort	Injury or illness requiring immediate hospital treatment	Situation remembered for years/ member or senior officer resignation, national and local media coverage, failure to meet legislative standards, Service Suspension for more the 24 hrs.	Financial loss or overspend of more than £250k
5 Catastrophic	Devastating impact, potentially irreversible	Loss of limb or fatality	Criminal Prosecution, Repeated failure to meet legislative standards, Service Suspension for an indefinite period.	Uncontrollable financial loss or overspend of over £500k

*Impact should always be considered in terms of financial loss, harm to a person or people and the Council's reputation and should link to Tonbridge and Malling Borough Council's risk appetite.

Annex B - Risk Register Format

The template example below shows a risk from the Strategic Risk Register, it now shows the unmitigated risk impact of the risk identified, the mitigation in place and then the mitigated or accepted risk score. This score will trigger the escalation process to Service Management Teams or onto Corporate Management Team for escalation to the Strategic Risk Register.

Number	Risk Title & Description	Effect of non compliance	Classification	Risk Owner from Management Team	Date identified	Last date of review	Unmitigated risk Score			Movement to previous review	Current mitigation in place	Mitigated risk Score			Movement to previous review	Actions required to reduce score further	Link to Annual Service Development Plan	Links to Strategies
							Likelihood Score (1-5)	Impact score (1-5)	Overall risk score			Likelihood Score (1-5)	Impact score (1-5)	Overall risk score				
	Acheivement of Savings and Transformation Strategy - Failure to meet obejctives or savings targets	Resultant overspend would have signifcant on council reserves resulting in potential Section 114 notice delaring authority is no longer a Going Concern	F & R	Head of Finance on behalf of Management Team	Apr-17	Mar-25	4	5	20		Savings and Transformation Strategy is reviewed, by Members and Officers, along side Councils Medium Term Financial Strategy.	3	3	9		1) Taking opportunity to maximise income receipts were appropriate. 2) Exercise to commence to identify and assess savings opportunities for review by Members in September 2025	Objective 3.15	Priority in the Corporate Strategy of "Efficient services for all our residents, maintaining an effective council"

Actions completed to increase mitigation and potentially reduce scoring

these need to be smart time related