

Littlehampton Town Council

Corporate Risk Management Strategy

1. Introduction

Corporate Risk Management (CRM) is defined as the threat that an event or action will adversely affect the Council's ability to achieve its objectives or to successfully execute its strategies. Risk management is about an organisation's ability to consider and manage risks to help it deliver its goals.

CRM is a corporate and systematic process evaluating and addressing the impact of risks in a cost effective way and ensuring that all decision makers have the appropriate skills to identify and assess the potential for risks to arise and direct action as appropriate, all in a timely manner.

The definition recognises that risk is ever present and is not in itself a negative factor. The consideration of whether an event or action will present a substantive risk is the key. CRM can inform the decision-making process and stimulate and generate development of new opportunities, and ensure that where opportunities do arise they are responded to appropriately.

"If a council doesn't have effective risk management then it doesn't have effective management. That is because risk management is about making the right decisions and about achieving objectives once those decisions have been made. In short, risk management can ensure best value is achieved" – SOLACE (Society of Local Authority Chief Executives).

A risk is anything that could prevent the achievement of The Council's objectives. However failure to act upon opportunities which present themselves could also prevent the successful or timely achievement of The Council's objectives. Hence CRM is about managing opportunities (by maximising these) and risks (by minimising these), in a formal, transparent and effective manner such that it adds value to the Council.

The Council is aware that some risks will always exist and will never be eliminated. It acknowledges that it has a responsibility to manage hazards and risks and supports a structured and focused approach to managing them by approval of the following risk management strategy. In this way the Council will better achieve its corporate objectives and enhance the value of services it provides to the community.

2. Objectives of Risk Management

The objective of CRM is the identification, evaluation, control and review of threats and opportunities to all activities of the Council which can affect the achievement of its aims and objectives at all levels.

CRM enhances the likelihood of achieving successful outcomes whilst reducing the probability of failure and the uncertainty of achieving aims and objectives.

CRM is often incorrectly viewed as a burden on employees. However, when applied correctly, risk management assists employees and services, and hence the Council, to achieve stated objectives, whilst protecting staff, assets and resources against risk.

Littlehampton Town Council's CRM objectives are to:

- Identify, evaluate and manage the opportunities and risks to which the Authority is exposed, at all levels
- Enable effective delivery of services to local people and to minimise the risk of significant service failures
- Integrate risk management into the culture of the council
- Ensure appropriate risk taking is encouraged
- Anticipate and respond to changing social, environmental and legislative needs as well as changes in the internal environment
- Manage risk in accordance with best practice
- Minimise injury, damage and losses
- Raise awareness of the need for risk management by all those connected with the council's delivery of services
- Enable better, more informed decision making at all levels within the Council
- Embed risk management into day to day management and working arrangements
- Protect physical assets, promote employee and public safety and maximise resources
- Learn from risk failures to improve the systems of internal control and risk management
- Promote good corporate governance and therefore contribute to the annual assurance statement incorporating the statement on internal control.

It is the responsibility of all Members and employees to have regard for risk management whilst carrying out their duties. Unchecked risks can result in a drain on resources that could better be directed to front line service provision and to meeting the Council's objectives.

This strategy enables risks and opportunities to be identified, evaluated, controlled, monitored and reported. The process applies equally to both strategic and operational risks and is integrated into the business planning process.

The objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the Council for risk management
- Maintaining a strategic risk register
- Ensuring that risk management is explicitly considered in all decision making by requiring inclusion in all formal decision reports identifying the risks

associated with the action proposed and the arrangement being put in place to manage these risks.

- Reinforcing the importance of effective risk management as part of the everyday work of employees by offering training
- Carrying out regular risk assessments and monitoring arrangements on an on-going basis.