HARROGATE
TOWN COUNCIL

RISK MANAGEMENT POLICY

Prepared by: **The Town Clerk**
Date of adoption: **30th March 2026**
Review frequency: **Annual**
Committee oversight: **Full Council**
Policy reference: **G11**

Signed: *Chris Aldred*
Councillor Chris Aldred, Mayor of Harrogate

Dated: **30th March 2026**

Contents

1 Introduction 2
2 The Policy 2
3 Objectives of Risk Management 2
4 Types of Risk 3
6 The Risk Management Process 6
6.1 Step 1: Identification of Risks 7
6.2 Step 2: Evaluation of Risks 7
6.3 Step 3: Mitigation of Risk 8
6.4 Step 4: Decide on Any Further Action to be Taken 8
6.5 Step 5: Allocation of Responsibility 8
6.6 Step 6: Recording Risks 8
6.7 Step 7: Monitoring and Reporting 9
APPENDIX 1 – SCORING CRITERIA 10
Impact Considerations 10
Likelihood Considerations 11

1 Introduction

1.1 Harrogate Town Council has adopted this risk management policy 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) and also to give effect to the Health and Safety at Work Act 1974.

1.2 This document sets out the:

- 1.2.1 Town Council's Risk Management Policy
- 1.2.2 Objectives of Risk Management
- 1.2.3 Types of Risk
- 1.2.4 Roles and responsibilities
- 1.2.5 Risk Management process
- 1.2.6 Approach to future monitoring

1.3 This policy aims to further develop risk management and raise its profile across the Town Council by:

- 1.3.1 Integrating risk management into the culture of the organisation;
- 1.3.2 Embedding risk management through the ownership and management of risk as part of all decision making processes;
- 1.3.3 Managing risk in accordance with best practice.

2 The Policy

2.1 Harrogate Town Council recognises that it has a responsibility to manage risks effectively in order to protect its employees, assets, liabilities and community against potential losses, to minimise uncertainty in achieving its goals and objectives and to maximise its opportunities.

2.2 The Town Council is aware that some risks can never be eliminated fully and its strategy provides a structured, systematic and focussed approach to managing risk.

2.3 Risk Management is an integral part of the Town Council's management processes.

2.4 This policy must be read in conjunction with the Council's other documents including, but not limited to, specific risk assessments for activities and the Council's Standing Orders and Financial Regulations.

3 Objectives of Risk Management

3.1 The objectives of risk management are to:

- 3.1.1 Identify, evaluate and manage the opportunities and risks to which the Town Council is exposed, at strategic and operational level;
- 3.1.2 To protect physical assets, promote employee and public safety and maximise resources;

3.1.3 Embed risk management into day to day management and working arrangements;
3.1.4 Enable effective and safe delivery of services to local people and to minimise the risk of significant failures
3.1.5 Enable the identification of opportunities and risks associated with the Council's budget options and business planning to ensure that opportunities and risks are controlled;
3.1.6 Enable better, more informed decision making at all levels;
3.1.7 Review, evaluate and implement issues identified from past experience;
3.1.8 To promote good corporate governance;

3.2 It is the responsibility of all Members and staff to have regard for risk management whilst carrying out their duties.

3.3 This Strategy will enable risks and opportunities to be identified, evaluated, controlled, monitored and reported.

3.4 Seek assurances that action(s) are being taken on risk related issues identified by auditors, advisors and inspectors.

4 Types of Risk

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.

4.2 The Council has identified the following as a list of categorised risk typologies:

Risk Type	*Description*
Financial Risk	Risk of loss or mismanagement of public money through error, fraud, or poor controls.
Security Risk	Threats such as theft, fraud, embezzlement, or malicious access to physical or digital assets.
Property Risk	Damage to or loss of council property through vandalism, accident, fire, or natural disasters.
Legal Risk	Breaches of laws or statutory duties; risk of being sued or fined.
IT Risk	Failure or misuse of IT systems, including data breaches, loss of service, or cyber-attacks.

Reputational Risk	Negative public opinion arising from poor decisions, lack of transparency, or scandal.
Human Resource Risk	Loss of key staff, lack of training, poor performance, or workplace conflict. Insufficient capacity.
Compliance Risk	Failure to adhere to statutory or regulatory requirements, including GDPR, equality law, and transparency code.
Operational Risk	Risks arising from the day-to-day operations of services, projects, or activities.
Environmental Risk	Risks from environmental factors including flooding, pollution, climate change or biodiversity issues.
Health and Safety Risk	Risk of injury or death due to unsafe practices or failure to follow health & safety legislation.
Safeguarding Risk	Risk of harm to children or vulnerable adults in council-run services or events.
Contractual Risk	Risk of contractual disputes or liability due to poorly written or managed contracts.
Strategic Risk	Risk that long-term aims or priorities are not met due to poor planning or external changes.
Community Engagement Risk	Risk of not effectively engaging residents, leading to apathy, distrust or opposition.
Governance Risk	Failure in governance structures, member conduct, or decision-making processes.

Insurance Risk	Inadequate or lapsed insurance cover resulting in exposure to financial liability.

5 Roles and Responsibilities for Risk Management

5.1 All Members and staff of the Town Council are responsible for risk management.

5.2 All Members:

5.2.1 Have collective responsibility in understanding the strategic risks which the Town Council faces.

5.2.2 Ensure that all identified risks have been considered in decision making and countermeasures and controls are defined.

5.2.3 Agree and publish a clear Risk Management Policy and oversee the effective management of risks by the Town Clerk.

5.2.4 Monitor the effectiveness of the Town Council's risk management arrangements by reviewing any risk management reports to Council.

5.2.5 Know how the Town Council will manage and operate in a crisis through approved emergency procedures.

5.3 Town Clerk:

5.3.1 The lead officer for risk management and owner of the Risk Management Strategy.

5.3.2 Has the responsibility to understand the strategic and operational risks that the Town Council faces and to oversee the effective management of these risks by officers.

5.3.3 Leads on the corporate governance agenda which includes risk management and with the Council's Chair approve the Annual Governance Statement.

5.3.4 Ensures that risks are fully considered in all strategic decision making and that the Risk Management Policy helps the Town Council to achieve its objectives and protection of assets.

5.3.5 Provides advice as to the legality of policy and service delivery and updates the Town Council on the implications of new or revised legislation.

5.3.6 Assesses and implements the Council's insurance requirements.

5.3.7 Assesses the financial implications.

5.4 Town Council

5.4.1 Support the Town Clerk in all aspects of risk management.

5.4.2 Understand the strategic and operational risks that the Town Council faces.

5.4.3 Ensure that a structured and systematic approach is in place for the identification, recording and reporting of risks and opportunities.

5.4.4 Ensure that the arrangements for risk management and the associated risk registers are regularly reviewed.

5.4.5 Ensure that risks are fully considered in all decision making and that the Risk Management Strategy helps the Town Council to achieve its objectives and protection of assets.

5.4.6 Assist in embedding a culture of risk management through the Town Council and encourage appropriate training, including induction and refresher training for staff.

5.5 All Employees:

5.5.1 Understand how they can enable continuous improvement of risk management.

5.5.2 Understand that risk management and risk awareness are a key part of the organisation's culture.

5.5.3 Report systematically and promptly to the Town Clerk any perceived new risk or failure of existing control measures.

5.5.4 Record areas of risk which fall directly within their day-to-day areas of control and review in line with agreed target dates.

5.5.5 Provide a pro-active role in the reporting and assessing of physical risks in respect of public, staff and property.

5.5.6 Proactively participate in training and professional development activities that contribute to risk management and reduction.

5.6 Internal Audit:

5.6.1 Provide a scrutiny role by carrying out audits to provide independent assurance to Members, via the Internal Auditor's annual audit plan and post audit report that the necessary risk management systems are in place.

5.7 *External Provider – Peninsula Business Services Ltd*

5.7.1 Peninsula Business Services provides specialist advice and guidance to the Town Council on compliance with Health & Safety and Employment Law.

5.7.2 The provider supports the Town Clerk in identifying and assessing risks related to workplace safety, HR practices, and legal duties as an employer.

5.7.3 It undertakes risk assessments, audits, and supplies documentation and templates to support safe systems of work.

5.7.4 Peninsula also assists with training, development, and professional support for officers in fulfilling their H&S and HR responsibilities.

5.7.5 Furthermore, it advises on changes in legislation and best practice, helping ensure ongoing compliance and informed decision-making.

6 The Risk Management Process

The process of risk management is straight forward and involves a number of key steps which are outlined below.

6.1 Step 1: Identification of Risks

6.1.1 The Town Clerk is responsible for identifying and recording any risks. Identification will be either via a formal process of planned inspections or ad hoc requests or risks being noted through everyday working situations.

6.1.2 When changes to working arrangements, new initiatives, events or projects are to be undertaken the Clerk will seek to identify any risks early in the planning process and prior to implementation.

6.1.3 Each risk should be described and set out on a risk assessment form.

6.1.4 All risks identified must be recorded on the risk register.

6.2 Step 2: Evaluation of Risks

6.2.1 On identification of a risk the Clerk will assign a risk factor by reference to the risk matrix (see scoring criteria at Appendix 1).

6.2.2 The risk matrix considers the likelihood of a risk materialising and the impact it would have.

Probability				
Highly Likely (4)				
Likely (3)				
Unlikely (2)				
Very Unlikely (1)				
	Minor (1)	Significant (2)	Serious (3)	Major (4)
	Impact			

6.2.3 According to the level of risk identified appropriate action should be taken.

6.2.4 If the level of risk is high, it may not be possible to wait until a formal response or action has been agreed by the Council. The risk factor table below provides guidance in assessing appropriate action.

Risk Factor		**Action**
Red	Very High/ High	Immediate notification to Mayor, Deputy Mayor or Standing Committee Chair as appropriate. Expedite Steps 3 and 4 to identify additional controls for consideration and implementation in accordance with the Council's Scheme of Delegation and Financial Regulation 4.5.

Amber	Medium	Immediate notification to Mayor, Deputy Mayor or Standing Committee Chair as appropriate.
Green	Low	Notify Chair and Vice-Chair and Standing Committee Chairs.

6.3 Step 3: Mitigation of Risk

6.3.1 The Town Clerk should consider what controls are in place to mitigate the risk. These could include controls to reduce the likelihood of a risk occurring or to reduce the impact on the Town Council.

6.3.2 Only existing controls that are already in place should be considered and included on the risk assessment/notification form.

6.4 Step 4: Decide on Any Further Action to be Taken

6.4.1 Following evaluation there are four main control options to manage the risk:

- Terminate the risk – take a decision to discontinue the activity.
- Transfer the risk – the risk is 'passed' on e.g. to an insurer.
- Treat the risk – put in place additional controls to reduce the impact or likelihood.
- Tolerate the risk – accept the risk but continue to monitor and evaluate.

6.4.2 Once the proposed action has been reviewed and considered by the Town Council then the Clerk shall scope, determine the resources (time, effort and funds) required and propose an implementation plan for agreement by Council Resolution, or for a new Red risk with agreement of the Chair (of a committee or council) and with the Town Council being notified at the next council meeting.

6.4.3 Where the implementation of additional controls incurs non-budgeted costs of £1,000 or over these should be reported to the Standing Committee or Council at the earliest opportunity.

6.5 Step 5: Allocation of Responsibility

Each risk should be passed to the Town Clerk who will be responsible for implementing controls and ensuring they are working. The Clerk will also be responsible for monitoring the risk.

6.6 Step 6: Recording Risks

6.6.1 All risks are recorded on a risk register with information including:

- A description of the risk.
- Cause and consequences of the risk.
- The inherent score (Likelihood, impact and total score).

- Controls and actions to mitigate, including action delivery dates and any owners of actions.
- The current score (likelihood, impact and total score).
- Target score (likelihood, impact and total score).
- Owner of the risk.

6.6.2 All completed risk assessments must be approved by the Mayor, Chair of a Standing Committee for checking prior to entering onto the risk register.

6.6.3 All risk assessments must be recorded in the risk register. To assist with the management of the risk register, items will be grouped into separate types which may include:

Financial	F
Property	P
Legal	L
IT	IT
Reputational	R
Events	E
Members & Civic Activities	MM
Staffing	HR
Allotments	A

6.7 Step 7: Monitoring and Reporting

6.7.1 An annual review of the risk management arrangements for the Town Council will be conducted by the Full Council.

6.7.2 Four times a year, a meeting of the Finance & General Purposes Committee will include an agenda item for risk management to ensure that any developments or issues are considered.

6.7.3 The Town Council's risk management strategy will be also reviewed as part of the internal control environment within the Annual Governance Statement. This is agreed annually by the Town Council, usually in May.

APPENDIX 1 – SCORING CRITERIA

Impact Considerations

Impact	*Score*	*Description (Threat)*	*Possible Indicators*
Major	4	• Major loss of service. • Major injury/death risk to people. • Major financial/budgetary implications. • Prosecution by Enforcing Authorities. • Statutory/legislative mandate. • National media coverage. • Significant impact on performance.	• Service disruption over 5 • Days. • One or more fatalities. • Financial loss over £250k. • Notice of Improvement Notice being served. • New regulations/directive from Central Government. • Newspaper/radio/Social Media reports. • Major delays in projects affecting service delivery.
Serious	3	• Loss of major service. • Major injury risk to people. • Serious financial/budgetary • Implications. • Attract scrutiny by Regulatory Bodies. • Political mandate. • Local media coverage. • Medium impact on • Performance.	• Service disruption 2-5 days. • Major injuries to individual/several people. • Financial loss £50-250k. • Unscheduled audit inspection/HSE visit. • Impending legislation. • Enquiries from local press/radio. • Delays affecting the smooth flow of service delivery.
Significant	2	• Significant impact on service objectives. • Severe injuries. • Significant financial/budgetary Implications. • Increased public awareness. • Low impact on performance.	• Service disruption 1-2 days. • Some effect on normal work routines. • Financial loss £5-50k. • Questions raised through Members. • Minor delays quickly remedied.
Minor	1	• Minimal disruptions not affecting service.	• Minor disruptions in work routines.

		• Very minor injuries to personnel. • Minor financial loss.	• Not affecting work routines. • Financial loss less than £5k.

Likelihood Considerations

Impact	*Score*	*Description (Threat)*	*Possible Indicators*
Very Likely	4	More than 75% chance of occurrence.	• Regular occurrence. • Circumstances frequently encountered daily/weekly/monthly.
Likely	3	40%-75% chance of occurrence.	• Likely to happen at some point in the next 1-3 years. • Circumstances occasionally encountered (few times a year).
Unlikely	2	10%- 40% chance of occurrence.	• Only likely to happen once every 3 or more years.
Very Unlikely	1	Less than 10% chance of occurrence.	• Has happened rarely/never before.