Harbour Schools Partnership

A guiding light for education

Risk Management Policy

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Author/owner: Board of Trustees (Audit and Risk Committee)

Anticipated Review: Annual

NB. 'Trustees' means the Directors referred to in the Trust's Articles of Association.

Introduction

History of most recent policy changes

Version	Date	Page	Change	Origin of Change e.g. TU request, Change in legislation
V1.0	Nov 24	New Policy	New policy all schools within the Trust	New Policy upon merger of Ventrus and Tarka Learning Partnership
V1.1	Jul 25	Section 4.1 Sections 5.3 & 5.4	Identification of risk updated to reflect change to operating model updated to remove reporting and monitoring from LGB	Move to THSP new Operating model from September 2025

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1.0 Introduction

Risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced. Risk Management is an essential part of planning and decision-making to meet the Trust's objectives, deliver school improvement and achieve value for money.

The need for a Risk Management Framework to be in place and operating effectively is essential to manage the complexity of the organisation and to meet demands for transparency & accountability.

2.0 Definition

The Institute of Internal Auditor's International standards define a risk as 'the possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.'

3.0 Legal Framework

It is a requirement:

a. of the Academies Handbook that the Trust **must** manage risks to ensure its effective operation and **must** maintain a risk register;
b. to follow guidance as set out in the Charities and Risk Management (CC26) document;
c. to include a section in the Trust's annual report on principal risks and uncertainties, which are derived from the Trust's Risk Register.

4.0 Risk Management Framework

The Trust's Risk Management Framework consists of the following stages:

a. Identification of risks that could affect the achievement of the Trust objectives;
b. Measurement of the risks through assessment, evaluation and ranking;
c. Management of the risks through controls, mitigation and contingency plans;
d. Monitoring the risks through the development of a Trust Risk Register;
e. Reporting of risks to Trustees as an integral part of the governance model.

4.1 Identifying Risks

At the risk identification stage, all potential events that could adversely influence the achievement of the Trust objectives are identified, defined and categorised.

The identification of risk across the Trust is managed through the Harbour Support Services Team [HSS] and cycle of business by

a. intentional design of the Harbour Support Service strategies to ensure compliance to statutory frameworks and best-practice guidance for the relevant sector through robust systems and processes
b. ensuring risk is openly discussed with schools during their routine school improvement and

business meetings through standing item on agenda's

c. being explicit in the Roles and Responsibility Matrix and Scheme of Delegation about where responsibility for tasks lie
d. Testing in schools, by service leads, through their annual cycles of business to ensure Trusts systems and processes are complied with and reporting to Executive Leadership Team [ELT] by exception where serious concerns arise
e. Horizon scanning by the ELT and Service Leads through networks and professional associations relating to their operational areas to ensure early identification of risk that may impact the strategic outcomes of the Trust

4.2 Measuring the Risk

The Trust assesses, evaluates and ranks each risk to enable the understanding of each specific instance and how it could affect meeting the Trust objectives.

The Trust measures risks following a 1-5 scoring matrix calculating the following:

a. the likelihood (or probability) of it occurring, and
b. the impact (or severity) if it did occur

The calculation of Likelihood multiplied by Impact provides a single risk score reflecting the overall level of threat to the Trust. A rating is derived from the risk scoring matrix to provide a representation of the risk.

4.3 Managing Risk

The Trust determines its risk appetite and capacity when determining the approach to take when managing a risk.

a. Risk appetite – The Trust has a Risk Appetite Statement that sets out how the Trust balances risk and opportunity in pursuit of achieving the strategic objectives. It is formulated by the Board, who review the statement annually (section 6). All strategic plans, business plans for functional areas and policies need to be consistent with this Statement.

b. Risk capacity – the resources which the Trust is able to put in place when managing risk

Once the appetite and capacity has been established, the 4 Ts risk management strategy is utilised to determine the plans of how the risks are managed, which can include, preventative controls, mitigation processes and contingency plans in the event that risks materialise. The 4 Ts are:

a. **Tolerate -** risk is where no action is taken. This may be because the resource requirements of further controls is not cost effective or the risk or impact is so low that they are considered acceptable.

b. **Treat -** risk involves controlling it with actions to minimise the likelihood of occurrence or impact. There may also be contingency measures to reduce impact if it does occur.

c. **Transfer -** risk may involve the use of insurance or payment to third parties willing to take on the risk themselves (for instance, through outsourcing).

d. **Terminate -** risk is ranked highly and the other potential control measures are too expensive or otherwise impractical, the decision may well be that the process or service should stop being undertaken.

4.4 Monitoring

A risk register is the tool used to capture risks that have been identified as strategic risks. They are measured and managed under the following elements:

a. Risk Description
b. Date Entered
c. Risk Owner
d. Objective Threatened
e. Existing Mitigating Controls/Procedures
f. Likelihood the risk will occur
g. Impact if it materialised
h. Current Risk Ranking
i. Treatment
j. Further Action Required/Underway
k. Action by Date
l. Lead for Action
m. Post Action Likelihood
n. Post Action Impact
o. Post Action Risk Ranking
p. Post Action Treatment
q. Notes

The register is maintained and monitored by the Executive Leadership Team and updated termly through their cycle of business or when an emerging risk is identified.

4.5 Reporting

The strategic risk register is reviewed termly at each Trustees Audit & Risk Committee meeting, to ensure rankings and control measures remain appropriate. The independent internal audit function is requested to 'stress test' the controls and mitigations in place to ensure they do not exist on paper only as part of their annual audit programme.

5.0 Roles and Responsibilities

5.1 Role of Chief Operating Officer

The COO is responsible for:

a. managing the Trust Strategic Risk Register, ensuring it is regularly reviewed and updated,
b. ensuring risk owners reassess and update their risks at appropriate intervals,
c. ensuring the risks are reported to the Audit Committee at appropriate intervals,
d. ensuring the summary of the risks are reported to the Board of Trustees at appropriate intervals,
e. undertaking an annual review, or at any other suitable point, of the Risk Management Framework and referring any changes or improvements to the Audit Committee for approval.

5.2 Role of Executive Leadership Team

The Executive Leadership Team is responsible for:

a. setting the tone and influencing the culture of risk across the Trust in accordance with the Risk Appetite Statement,
b. identifying the risks that could affect the achievement of the Trust's objectives through its cycle of business, school visits, use of qualitative and quantitative data, and update the relevant section of the Risk Register,
c. ensuring controls, mitigation measures and contingency plans are effectively managed,
d. drafting the section within the annual report regarding risk management,
e. ensure high level incident risk is reported to Chair of Trustees as soon as practical and follow relevant Trust policy procedures for dealing with such risks

5.2 Role of Central Team Service Leads

a. Reporting on emerging risk within their service areas to the ELT through the Trust cycle of business, school visits, use of qualitative and quantitative data,
b. Monitoring existing controls and mitigation measures within their service areas to ensure they are effectively implemented across the Trust and to report by exception to the executive team.

5.3 Role of the School Senior Leadership Team

The School Senior Leadership Team:

a. engage with the Executive Leadership Team and Service Leads through the Trust's cycle of business to openly discuss their emerging and existing risks
b. act on feedback received in relation to measures to reduce or manage risk in their school
c. ensure controls, mitigation measures and contingency plans are effectively managed, and the strategy frameworks set by the Trust are complied with;
d. ensure emerging high risks are discussed with the Executive Leadership Team/Service Leads as they become known
e. ensure high level incident risk is reported to CEO as soon as practical and follow the Trust relevant policy procedures for dealing with such risks

5.4 Role of the Local Governing Body

The Local Governing Body is responsible for:

a. ensuring any high risks in relation to governance are reported to the Trust Audit Committee for review.

5.5 Role of the Trust audit committee

The Trust Risk and Audit Committee is responsible for:

a. upholding the culture of risk across the Trust in accordance with the Trust Risk Appetite Statement;
b. reviewing the Trust Risk Register at each meeting;
c. review and challenge on ensuring the mitigation, controls and contingency plans are being operated effectively;
d. reviewing and approving the annual review of the Trust Risk Management Framework;
e. direct areas for testing through the Trust's internal audit function annually
f. receive reports from the Trust's internal auditors
g. monitor progress against recommendations made by internal auditors or make recommendation to the Board to tolerate risk with supporting rationale

5.6 Role of Board of Trustees

The Trust Board of Trustees is responsible for:

a. formulating the risk appetite statement for the Trust and reviewing annually;
b. setting the tone and influencing the culture of risk across the Trust
c. reviewing the summary of risks termly;
d. ensuring the Trust Risk Management Framework is operating effectively;
e. reviewing and approving the completion of the section regarding risk management within the annual report;
f. approval to 'tolerate' identified risks upon recommendation of the Audit & Risk Committee where the raw score might deem the risk should be treated but the cost of implementing further control outweighs the residual risk or is otherwise operationally prohibitive.

6.0 Risk Appetite Definition

Appetite	Descriptions
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is paramount. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Predilection to undertake activities considered to be very safe in the achievement of key deliverables or initiatives. Activities will only be taken where they have a low degree of inherent risk. The associated potential for delivering the Trust strategic objectives is not a key driver in selecting activities.
Considered	Accepting a reasonable and considered level of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified the ability to deliver the strategic objectives, within the regulatory framework. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Undertakes activities by seeking to achieve a balance between a high likelihood of successful delivery and a high degree of likelihood of delivering the strategic objectives, within the legal/regulatory framework. Activities themselves may potentially carry, or contribute to, a high degree of residual risk, where exposure is deemed controllable to a large extent
Innovative	Wanting to pursue and deliver innovative activities that will improve the quality of service delivery and increase the potential to deliver the Trust strategic objectives, even if they carry a high residual risk and exposure is manageable and operating within the legal/regulatory framework.

7.0 Risk Appetite Statement

This Statement considers the most significant risk areas to which the Trust is exposed and provides an outline of the approach to managing these risks. All strategic plans, business plans for operational areas and policies must be consistent with this Statement.

Area	Statement
Overarching Statement	The Trust has an overall 'Open' approach to risk, which is demonstrated by the achievements and successes to date in pursuit of its strategic objectives. However, this is always by working within the framework of meeting regulatory compliance. It recognises that acceptance of risk varies according to the function or activity. Associated risks and benefits are reviewed and evaluated, with methods to mitigate the risk established before new activity is authorised. When considering the overarching objective of school improvement, risks across all areas of operation are considered interrelated and connected in terms of benefits, impact and mitigation.
Growth Strategy	By virtue of merger, growth has happened at pace. The Trust will take a 'Considered' approach to growth upon merger. It is likely that the risk appetite will increase to 'Open' shortly after merger.
Leadership	The leadership team of the Trust has an 'Open' approach to risk taking a reasoned approach that enables the Trust to continue on its positive trajectory.
Governance	The Trust Board is made up of experienced Trustees. They take an 'Open' approach to risk centered on an acute awareness about the impact decisions have on their schools and Local Governing Bodies against the need to ensure continuous improvement.
Teaching and Learning	School Improvement has an 'Innovative' approach to risk to ensure that teaching & learning is dynamic, research -led and relevant to our context. This is demonstrated through the freedom of Head Teachers to undertake peer reviews and spread best practice through peer networks. Oversight from School Improvement Partners ensure schools work within the regulatory frameworks.
Legal/Regulatory	The Trust operates within a sector governed by a high level of legal and regularity frameworks that are subject to scrutiny. There is an 'averse' approach where the law determines the only course of action. Where a range of options can be considered within the regularity frameworks there will be a 'Considered' approach to risk.

Finance	There is a 'Considered' approach to finance risk. Where there is a residual risk to an activity, it is worked through in a considered and pragmatic way that ensures it doesn't overreach itself and the financial exposure is controlled where the benefit to school improvement is justifies it.
Estates	In the immediate post-merger phase the approach to delivering the Estates strategy will have a 'Considered' approach. As the central teams and strategy become formed & the service delivery model becomes embedded the service will move towards a more 'Open' approach.
IT	It is recognised that IT is a key component to successful outcomes across all service areas. Therefore, the appetite for risk will vary depending upon the component of IT being considered. For **infrastructure and network security** the Trust will adopt a 'Minimalist' approach to risk. **IT Support** will adopt a 'Considered' approach, including the provision of services to other settings. **Productivity tools** In considering how the MS365 environment is used as a tool to support effective working practice, aid efficient workflows and support effective classroom practice the Trust adopts an 'Innovative' approach.
Human Resources	The Trust has a moral compass and is committed to open and fair processes. Legal advice will be sought and where needed action will always be operated within the legal framework. Where there are available options within the legal framework the Trust will take a 'Considered' approach to risk.

8.0 Risk Scoring Guide

8.1 Likelihood

1	**Very unlikely**	Unlikely to occur but not impossible
2	**Possible**	Less likely to occur than not to occur
3	**Possible/Probable**	Equally as likely to occur as not to occur
4	**Probably**	More likely to occur than not to occur
5	**Very likely**	Very likely though not certain to occur

8.2 Impact

	Financial	**Reputation**	**Stakeholders**	**Customers**

1	**Negligible**	£0 - 1000	Contained within the individual service area	Affects only 1 group of stakeholders	Minimal impact or service disruption to customers. Contained within service area
2	**Minor**	£1,000 – £10,000	Affects significant number of the service areas but with transient impact	Affects more than 1 group of stakeholders	Minor impact to customers and customer dissatisfaction. Limited service disruption
3	**Moderate**	£10,000 – £50,000	Receives significant attention from within the organisation with potential to reach the public domain	Affects 2- 3 groups of stakeholders	Moderate impact to customers and customer dissatisfaction. Moderate service disruption
4	**Major**	£50,000 - £200,000	Receives local press attention with immediate but not sustained impact	Affects 4-5 groups of stakeholders	Significant service disruption and customer opposition. Threat of legal action
5	**Catastrophic**	Over £200,000	Receives national / international attention with potential for persisting impact	Affects more than 5 groups of stakeholders	Major service disruption. Significant Customer Opposition. Long term memory of the public

8.3 Risk Ranking

Score	Risk Rag Rating	Risk Rag Rating Descriptor
0 – 9 Low	**Green**	Low level of risk
10 - 14 Medium	**Yellow**	Medium level of risk
15 – 19 High	**Orange**	High level of risk, should be constantly monitored and reviewed
20 – 25 Very high	**Red**	Top level of risk, should be constantly monitored and reviewed