



## Risk Management Policy

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## 2. Version control

Date	Version	Revision	Owner
17/07/19	1.0	New Policy	Future Generation Trust Policy Team
04/06/20	2.0	Annual review	Future Generation Trust Policy Team
03/02/22	3.0	Policy has been rewritten in response to the ESFA's guidance.	Future Generation Trust Policy Team

### 3. Statement of intent

Future Generation Trust (FGT) recognises the importance of trust progression; however, it is important that we recognise change and development does not come without its risks. The trust's top priority is offering its pupils the best possible education to maximise their potential. To do this, it is necessary to progress, make changes and ultimately create risk; therefore, the trust will always take a proactive approach towards risk management.

The capitulation of a risk could result in the trust being negatively impacted in a way which may jeopardise the achievement of objectives and the maintenance of priorities, such as:

- Safeguarding
- Health and safety
- Finances
- Reputation
- Data protection
- Quality of teaching
- Staff retention
- New projects

FGT is committed to minimising risk through effectively identifying, categorising, measuring, managing, monitoring, and reporting risk. This means managing the likelihood of an unwanted event happening, assessing the consequences of this and ultimately assessing the benefits and threats to focus mitigating and preventing harm in all areas of the trust's operations.

### 4. Legal framework

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- Data Protection Act 2018
- Academies Act 2010
- Companies Act 2006
- The UK General Data Protection Regulation (GDPR)
- Health and Safety at Work etc. Act 1974
- ESFA (2021) 'Academy trust handbook 2021'

This policy operates in conjunction with the following trust policies and strategic documents:

- Business Continuity Plans
- Child Protection & Safeguarding Policy
- Data Protection Policy
- Estates Strategy & Asset Management Plan
- Freedom of Information Policy
- Health, Safety & Wellbeing Policy
- Network and IT Security Policy
- Records Management Policy
- Strategic Plan

## 5. Definitions

**Risk** – A risk in this context is the identification of anything which may be likely to negatively impact the trust’s aims and objectives. Risks can arise from within the trust as a result of decision making, which are generally easier to control, or they can come from outside the trust and tend to be harder to control. Section 8 provides more information on identifying and categorising risks.

**Capitulation** – The word ‘capitulation’ is used throughout this policy to differentiate between the presence of risk and what the consequences of this risk will be. In the context of this policy, ‘capitulate’ means the risk fails to resist and the consequences materialise.

**Risk appetite** – A risk appetite is the level of risk the trust is willing to accept in the pursuit of achieving its goals. Minimising safeguarding, compliance, reputational and financial risk is important; however, it is often necessary to take other risks to achieve strategic goals. A risk appetite gives an idea of whether the risk is worthwhile and justifiable.

## 6. Roles and responsibilities

The **Headteacher and Local Governing Body (LGB)** are responsible for:

- Integrating risk management into the culture of the Academy.
- Ensuring significant risks are identified, managed, measured, and reported appropriately for the Academy.
- Informing the Audit and Risk Committee of these identified risks by completing the trust’s **Risk Register** template.
- Putting in place control measures for the identified risks.
- Informing the Audit and Risk Committee (via the Central Team) if the measures in place to mitigate risks are inefficient.
- Approving or rejecting major developments where they are delegated responsibility to do so.

The **Central Team** are responsible for:

- Reviewing the trust’s **Risk Management Policy** in line with current guidance from the ESFA.
- Advising Headteachers and LGB’s on the content of their site-specific **Risk Registers**.
- Evaluating the **Risk Registers** reported by each individual academy.
- Collating a trust wide **Risk Register** for significant risks to present to the Audit and Risk Committee.
- Identifying common risks across the academies and constructing generic plans for mitigation.

The **full Trust Board and Audit and Risk Committee** are responsible for:

- Approving the trust’s **Risk Management Policy**.
- Discussing, reviewing and agreeing on the trust’s risk appetite.

- Agreeing academy reporting formats and timescales.
- Reviewing and commenting on the trust wide **Risk Register** on a termly basis.
- Ensuring communication with all staff is clear so that risks or control failures do not go unreported.
- Approving major decisions affecting the trust's risk profile or exposure.
- Delegating responsibility to manage areas of risk, where applicable.

The **Headteacher and designated H&S Co-ordinator** at each academy are responsible for:

- Identifying, mitigating and preventing risks which endanger the safety of pupils, staff and other stakeholders.
- Ensuring risk-taking does not conflict with the trust's **Health, Safety & Wellbeing Policy**.
- Communicating with the academy site manager to ensure the site is safe to attend in the event of adverse weather.

The **Data Protection Officer** is responsible for:

- Ensuring the trust's data is secure and protected from external risks.
- Putting mitigation measures in place for the transfer of data.
- Ensuring risk-taking does not conflict with the trust's **Data Protection Policy**.

**All staff** are responsible for:

- Defending and upholding the trust's reputation and protecting the trust from the negative impact of risk on a day-to-day basis.
- Reporting risk and control failures to the Headteacher.

## 7. Risk appetite statement

The trust will not take unnecessary risks unless they are justifiable. If taking a risk indicates that the trust's reputation and operation could be jeopardised, the trust will always consider the likelihood of this happening and how the risk will be controlled.

The trust accepts that risk is inevitable and is part of improvement, development and implementation; however, risk taking will be subject to the satisfactory completion of assessment and due diligence.

Where the cost or consequence of the risk and its likelihood of capitulating is deemed too high, and the methods involved which create the risk cannot be amended or removed to decrease the probability of severe consequence, the action will not take place as long as the trust can control this.

The risk appetite will be informed by an understanding of the trust's capacity, such as finances and staff availability, to mitigate the risk and secure positive outcomes.

## 8. Identifying and categorising risk

It is the responsibility of all stakeholders, to identify and categorise the risks involved in decision making, operations and changes which come about as a result of an internal, external, strategic or project variable.

For all risk categories, the trust will refer to mitigation or contingency plans which will help to minimise the impact of risks.

**Internal risks** – These risks will be, to some extent, under the control and responsibility of the trust and are a consequence of the decisions which it makes and events arising from within the trust. The trust will take the following actions to manage internal risks:

- The trust will conduct risk assessments for all activities related to internal risks, e.g. managing health and safety in line with the trust's **Health, Safety & Wellbeing Policy** and data protection in line with the **Data Protection Policy**.
- The trust will maintain full control and responsibility for internal risks and assessing the risks associated with these.
- Communication with decision makers and stakeholders will be prioritised when identifying internal risks.
- Everyone who is impacted by the capitulation of an identified risk will be fully informed and made aware of what could happen.

**External risks** – The trust will prepare for external events, e.g. a pandemic or extreme weather, and consider how to make the trust more resilient to such events. The trust will take the following actions to manage external risks:

- The trust will take all necessary action to avoid negative impacts associated with the capitulation of external risks, including the implementation of contingency planning for unpredictable events.
- As part of contingency planning, funds may be made available to aid the recovery from unexpected events which negatively impact the trust's finances.
- Policies and procedures will be under constant review to ensure they are compliant with changes in statutory requirements for academy trusts.
- The site will be made safe to attend and the trust will take the appropriate action if extreme weather threatens the safety of any pupils, staff or visitors.
- To protect the trust's pupils and assets, security measures will be in place and unauthorised visitors will not be permitted on the school site.

**Strategic risks** – Risks involved in the achievement of the trust's core objectives will be considered and identified. The trust will take the following actions to manage strategic risks:

- The trust will take steps to communicate and listen to all staff members to limit staff turnover and ensure quality of provision.
- The trust's decision-making, planning and prioritisation will be continually monitored by maintaining a structured understanding of the wider environment.
- Efficient allocation and use of resources within the trust will be supported.

- The trust will constantly review sector guidance and ensure its strategy is always compliant and in line with this.
- Core decisions will be made by the board of trustees and action will only take place where there is the required level of agreement.
- The trust will seek to find positive solutions for all stakeholders.

**Project risks** – The trust’s involvement in critical projects, e.g. new buildings, will be subject to an assessment of how the project will be completed, what the benefits will be and whether the risk involved will benefit the trust to a satisfactory standard. The trust will take the following actions to manage project risks:

- To avoid harm to individuals or damage to assets, risk assessments will always be carried out before any building work takes place.
- The trust will ensure all projects are affordable, beneficial and within the limits of financial constraints and budgets.

## 9. Measuring risk

Having identified any risks, e.g. via risk assessments, the trust will measure and rank them to help assess whether the risk is worthwhile and if the risk is likely to be detrimental to the trust’s aims and objectives.

The trust will assess all instances of risk by estimating the probability and severity of the risk and how it could negatively impact the trust’s objectives.

The trust will identify which risks have minimal, minor, significant or major impact on its aims and objectives and will take all the necessary steps to mitigate consequences.

The trust’s risk tolerance grid will always be applied. Risks will not be tolerated, where there is a very high likelihood of a high impact.

Where the risk tolerance grid indicates that an activity is too perilous, actions will be taken to reduce the risk score in an attempt to mitigate this risk and minimise the impact or likelihood of capitulation.

Risks which are deemed low level may be accepted, while medium level risks will be monitored with mitigation plans in place should the impact and likelihood of capitulation increase for any reason.

The following table outlines what level of risk will be tolerated. This table will be utilised whenever making operational decisions. The columns are numbered from one (low risk) to three (very high risk) to indicate when risks cause intolerable detriment towards the trust’s objectives, reputation and operations



**Figure A – Risk tolerance grid**

Risk tolerance grid						
Likelihood	Impact					
		Very Low	Low	Medium	High	Very high
	Very high	2	2	3	3	3
	High	1	2	2	3	3
	Medium	1	2	2	3	3
	Low	1	1	2	2	3
	Very low	1	1	1	1	2

**3 (Red)** – Unless uncontrollable, e.g. external risk, or absolutely necessary, the trust will not carry out risks which are considered to have a high negative impact, especially if the likelihood of the risk capitulating is high. These risks are indicated by number three.

**2 (Amber)** – The trust will generally proceed with caution where the impact is high, but the likelihood is low, or if the impact is considered to be of a medium level for concern.

**1 (Green)** – Where the impact and likelihood is low, the trust will proceed to take risks with minimal additional precautions in place as controlling the risk does not raise any significant concerns.

## 10. Managing risk

After assessing, evaluating, and ranking the risks, the trust will implement preventative controls such as contingency planning and strictly adhering to the trust’s risk appetite and risk capacity.

The trust will hold discussions to ensure stakeholders are comfortable with the control measures in place to minimise risks having a negative impact.

The trust’s risk appetite and capacity to take risks will inform how risks will be managed, mitigated or prevented. The trust will discuss and challenge the effectiveness of these controls and determine if they are appropriate.

The trust understands that good methods for risk prevention and mitigation will give greater control of the risk and consider the capacity of the trust's resources to deal with mitigating or preventing the risk.

To manage risks, the trust will:

- Tolerate risk and take no action to control the risks if control measures are deemed unnecessary for the level of risk or impact.
- Treat the risk through contingency planning and preparation to minimise the likelihood of occurrence and impact.
- Transfer risk by taking out insurance or carrying out strategic risks through third parties and mitigate any negative impact risk occurrence would have on the trust.
- Terminate risk by altering and removing potential risks, making rational decisions, and deciding when the risk is too high to perform an action.

The trust will take this approach in order to ensure that taking risks is an opportunity rather than a rudimentary threat to aims and objectives.

## 11. Monitoring risk

The trust will monitor its risk profile continuously and recognise the changing landscape of this.

As advised by the ESFA, a risk register will be maintained to identify and document risks and control measures. This will include the following elements:

- **Risk owner** – An identifiable individual will be established who decides if control measures are needed and who is responsible for managing the mitigation and prevention controls.
- **Risk category** – Identified risks will be categorised under the appropriate categorisation – e.g. safeguarding, health and safety, finance etc.
- **Risk description** – A short description will follow the risk category in order to provide more clarity as to what the risk is.
- **Risk trigger** – This will state what caused the need for mitigation or additional control measures to be implemented.
- **Risk consequences** – This will outline the consequences of failing to effectively manage or mitigate against the perceived risk.
- **Existing control measures** – This section will describe the controls that are already in place for the specific risk.
- **Gross risk score** – This will be the estimated likelihood that the risk will occur and the level of impact this will have. These two elements refer back to the risk tolerance grid above. Once the risk has been identified and measured, (taking into account existing control measures) the appropriate risk level will be stated with reference to how high the likelihood and impact is.
- **Additional control measures** – This section will be informed by the gross risk score, meaning that, having measured the risk and considered the relative risk tolerance, it will be established whether the risk will be tolerated, or if additional control measures are required. If after exhausting all reasonable additional control measures the risk still remains too high the proposed activity may be terminated.
- **Risk closure date** – This element will only be used where the monitoring of a risk is no longer needed as the risk is no longer present or plans to take a risk have been retired.

## 12. Reporting risk

The board of trustees and the audit and risk committee will set out when and what information regarding risks should be received. This information will be clear and offer important information on the trust's risks.

The information reported to the board of trustees and the audit and risk committee will help decide whether risks are being managed within the trust's risk appetite and being thoroughly mitigated.

The number of risks reported and assessed will be a manageable number in order to ensure the trust's quality control and understanding of risks is not diminished.

The board of trustees ensures that the trust does not report too many overlapping risks and that the trust makes attempts to ensure risks are only being reported where they are significant.

The trust will ensure communication is clear on all levels and the organisational politics allow for transparency so that all risks can be easily reported by all stakeholders.

## 13. Monitoring and review

Day-to-day responsibility for monitoring and managing risk is delegated to the Chief Executive Officer. They ensure that the monitoring systems are robust and provide guidance and advice to those involved in the operational management of risk. They are also responsible for the systems for collating information and presenting a high level **Risk Register** to the audit and risk committee and the board of trustees on a termly basis.

This policy will be reviewed every 2 years.

**Policy adopted on:** 24 March 2022

**Review date:** March 2024

**Signed:** Fliss Dale

**Designation:** Chair of Trust Board