Risk and Opportunity Management Policy and Strategy
December 2018

Title:	Risk and Opportunity Management Policy and Strategy.
Purpose:	Outlines the overarching ROM framework for Thurrock Council.
Owner:	Andy Owen, Corporate Risk & Insurance Manager
Approved by:	N/A
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Purpose

The Risk and Opportunity Management Policy & Strategy outlines the overarching risk and opportunity management framework in Thurrock detailing where a formal approach to risk and opportunity management must be adopted by officers.

The document details the priorities of Corporate Risk and Opportunity Management (CR&OM) over the next year, how risk and opportunity is monitored, reported and escalated across the Council and what duties are placed on officers across the Authority to ensure compliance.

Staff Governed by the Policy and Strategy

The Risk and Opportunity Management Policy and Strategy apply to all staff including and not limited to temporary staff and contractors. A failure to comply could be damaging to the finances and reputation of the Council.

Executive Summary

This combined risk and opportunity management policy and strategy details the Council's framework for managing business risk and opportunity. The risk and opportunity management framework is the culture, processes and structures that are directed towards effective management of potential risks and opportunities that the council faces in delivering its objectives.

Thurrock Council takes risks and recognises that risk is involved in everything it does and that it has a duty to manage these risks. This duty is to staff, residents and people working in the borough, service users, partners and funding agencies. Effective risk and opportunity management makes sound business sense and is good management practice.

The Risk and Opportunity Management Guide expands on the principles laid out in this document; and provides more support on how to undertake a risk and opportunity assessment.

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Risk & Opportunity Management Policy

Risk needs to be managed and consideration of risk should not stifle innovation. The Council delivers services in an increasingly litigious and risk-averse society and believes that risk management is a tool for exploiting opportunities as well as safeguarding against potential threats. Thurrock Council uses the discipline of risk and opportunity management to promote innovation in support of the Council's strategic priorities and objectives.

The risk and opportunity management framework is the all-encompassing approach that the Council takes towards risk and opportunity management; including the adoption of this Policy & Strategy, the resourcing of Corporate Risk and Opportunity Management (CR&OM) and the consideration of risk and opportunity management in other corporate policies and procedures.

The risk and opportunity management discipline involves the identification, evaluation, management, review and escalation of risk and opportunity. Whenever an officer is involved in an activity which has significant levels of risk, it is important that the risk management process is formalised by, for example, undertaking a risk assessment or detailing risks in a report. The Council recognises that the approach to risk management should be proportionate to the level of risk present.

The management of risk and opportunity is woven throughout the Council's key governance frameworks and as such there are specific requirements for all officers to adopt a formal approach to risk and opportunity management in the following areas;

- Key decision making reports
- Corporate and Service planning processes
- Programme and Project management
- Procurement and commissioning processes
- Partnership working arrangements
- Change management processes.

Corporate Risk Management is responsible for developing and embedding the risk and opportunity management framework within which risks and opportunities are to be managed across the Council. This includes developing risk and opportunity management capacity within the Council's workforce through the offer of guidance, support and training.

All Council officers are responsible for the management of the risks and opportunities that surround their role and adherence to the risk and opportunity management framework.

The Risk and Opportunity Management Policy is reviewed on an annual basis by CR&OM. Standards and Audit Committee Members are consulted as part of this process. The Risk and Opportunity Management Policy was approved by Cabinet and any major changes to the document will be submitted to Cabinet for re approval.

Adherence to the requirements set out in the Risk and Opportunity Management Policy and Strategy is monitored by CR&OM and reported to Standards and Audit Committee, via Directors Board as appropriate.

Risk & Opportunity Management Strategy

Thurrock Council believes that through the proactive management of its significant business risks and opportunities it will be in a stronger position to deliver the strategic priorities and objectives

To this end, CR&OM has been issued the remit of developing and embedding an enterprise-wide risk and opportunity management framework.

There is strong senior management support for risk and opportunity management. The Council has a developing risk culture and a positive attitude to risk – recognising that well managed risk brings opportunity and innovation.

The Risk & Opportunity Management Framework

Having a robust and systematic risk and opportunity management framework which is embedded throughout the organisation will;

- Help officers to fully understand the event, cause and effects of the risks and opportunities that they face, and in turn make more informed decisions on how best to manage risks and opportunities.

- Allow officers to analyse and prioritise risks and opportunities; helping inform decisions on the management, escalation and communication of risks and opportunities.

- Reinforce officers' understanding of risks/opportunities and how they will be managed; as well as encouraging the assignation of roles and responsibilities for the management of risks/opportunities.

- Provides senior managers and members with the assurance that risks and opportunities are being considered and managed across the organisation, and where necessary the risks and opportunities are escalated for their input and guidance.

Key Risk and Opportunity Management Objectives

In order to realise the organisational benefits of managing risk/opportunity and deliver upon their remit of developing and embedding a risk and opportunity management framework, CR&OM has identified the following objectives;

1. To maintain and review the risk and opportunity management framework which takes into account new and emerging risk and opportunity management practices in accordance with the principles of British Standard 31100.
2. To ensure the Council actively manages the risks to and the opportunities for the achievement of strategic and operational priorities, objectives and plans.
3. To ensure risks and opportunities are considered and discussed as part of the councils key decision making processes.
4. To ensure all programmes and projects in the council have a robust approach to risk and opportunity management.
5. To ensure officers consider the risks and opportunities associated with partner organisations, delivery agents and the voluntary sector.
6. To ensure officers consider the management of risk and opportunity within the procurement and commissioning process.
7. To integrate and embed risk and opportunity management throughout the working culture of the Council by providing support, guidance and training to officers.
8. To monitor adherence to the Risk and Opportunity Management Framework and report on performance to Standards & Audit Committee, via Directors Board and Performance Board.

Defining Risk and Opportunity Management

Thurrock Council's definition of Risk and Opportunity Management is:

"The planned and systematic approach to identify, evaluate and manage the risks to and the opportunities for the achievement of objectives"

This compliments the CIPFA Better Governance Forum's definition of risk and the context of risk management as detailed in the British Standard 31100, which state:

"Risk arises as much from failing to capture opportunities, as it does from threat that something bad will happen" (Definition of risk - CIPFA Better Governance Forum).

"Risk management is as much about exploiting potential opportunities as preventing potential problems" (Context of risk management - British Standard 31100).

Corporate Risk and Opportunity Management (CR&OM)

CR&OM sits within the Finance & IT Directorate and is led by the Corporate Risk & Insurance Manager who is mandated to;

- Establish the risk and opportunity management framework through developing procedures, tools and guidance on how to manage risk and opportunity;

- Embed the framework by providing guidance, support and training to officers across the Council on how to comply with it.

The tools that CR&OM has developed are available on the Risk and Opportunity Management page on the Council's Intranet, see: In-Form | Finance and IT | Risk and Opportunity Management

Risk and Opportunity Management in Thurrock Council

Thurrock Council's risk management strategy was first developed in 2005 and it is reviewed on an annual basis. The risk management strategy focussed on the potential negative effects of uncertainty (risk) and as a result, uncertainties that could have beneficial effects (opportunities) were generally overlooked. The framework was therefore revised and Opportunity Management incorporated in the approach. The Risk and Opportunity Management framework was introduced in 2008.
Standards and Audit Committee and Directors Board act as the risk and opportunity management oversight bodies; receiving regular reports throughout the year and providing challenge and support to the whole process. The Cabinet Member for Finance and the Director of Finance & IT promote risk and opportunity management across the Council in their respective roles of Member and Officer Risk Management Champions.

The ROM Policy & Strategy provides an overview of the risk management framework within Thurrock Council and outlines CR&OM objectives in the short/medium term to further develop and embed the framework.

Risk and Opportunity Management Priorities 2018 - 20

The following priorities will be incorporated into Corporate Risk Management's plans for 2018-2020

- Review and update the ROM Policy, Strategy and Framework.
- Maintain Strategic/Corporate level ROM.
- Maintain and further develop Service level ROM, including Project and Partnership ROM.
- Continue to embed ROM and build skill/capacity for ROM across the Council.

Governance and Compliance

The management of risk is woven throughout the Council's key governance frameworks and as such there are specific requirements for all officers to adopt a formal approach to risk and opportunity management in the following areas;

- Key decision making reports.
- Corporate and Service Planning.
- Programme and Project management.
- Procurement, Commissioning and Contract Management.
- Partnership working arrangements.
- Change management processes.

A formal approach to risk and opportunity management will involve for example, undertaking a risk assessment or detailing risks in a report. The Council recognises that the approach to risk and opportunity management should be proportionate to the level of risk or opportunity involved. For more information refer to the Risk and Opportunity Management Guide, that is available via the Risk and Opportunity Management page on the Council's Intranet, see link for details: In-Form | Finance and IT | Risk and Opportunity Management

Compliance with the Risk and Opportunity Management Framework

This policy and strategy is just one part of the Councils risk and opportunity management framework. Other key components include the risk/opportunity rating system, risk and opportunity assessment templates and strategic/corporate risk and opportunity register.

To ensure consistency it is important that these tools are adopted across the Council. Any variations or dispensations will be kept to a minimum and must be approved by CR&OM.

Heads of Service and Directors have responsibilities to ensure that staff adheres to the risk and opportunity management framework. For more information on the roles and responsibilities of all staff please refer to the Risk and Opportunity Management Framework table, Appendix A at the end of this document.
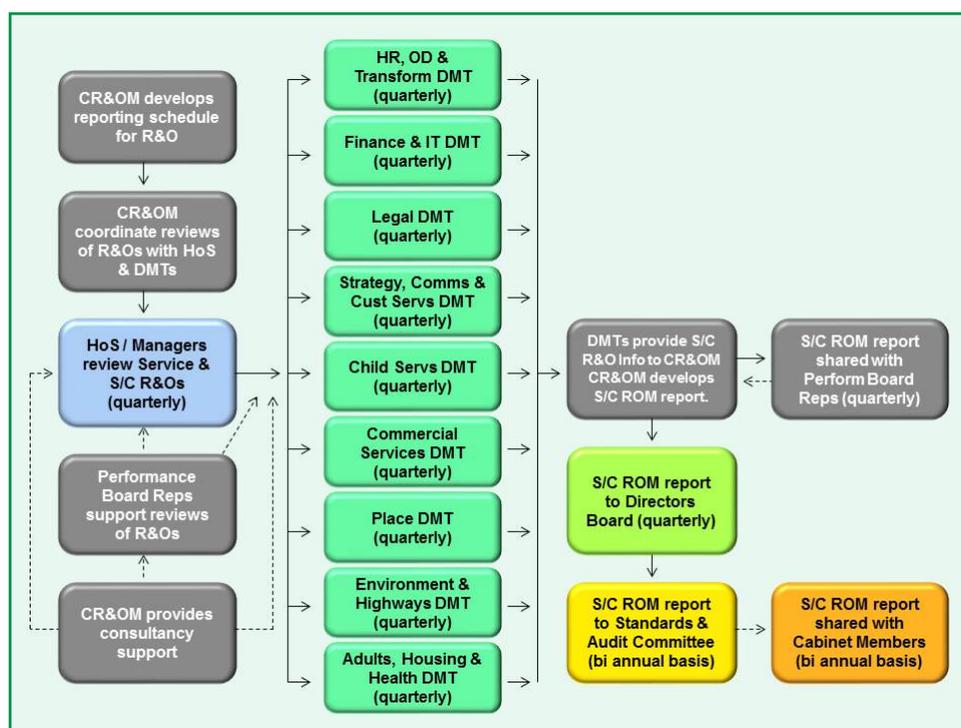
Monitoring, Reporting & Escalating Risk and Opportunity

CR&OM continually monitors the management of risk/opportunity across the Council. This is done through regular reviews of each Directorates/Departments key risks and opportunities.

Each Directorates/Departments performance in relation to compliance to the risk and opportunity management framework and management of risk/opportunity is monitored on a regular basis through the directorate/department management teams.

Risks/opportunities are escalated and reported throughout the organisation in a number of different ways. Through the regular review of key service, department and directorate risks and opportunities, a process of aggregation and escalation occurs and the items considered by Directorate/Department Management Teams. The Directorate/Department risks and opportunities with strategic/corporate significance are then further analysed to develop strategic/corporate risks and opportunities which are reported to Directors Board quarterly and Standards & Audit Committee on a bi annual basis. To inform judgements on key decisions the associated risks, opportunities and management response arrangements are detailed within reports to Cabinet.

Within programmes and projects the monitoring, reporting and escalation of risk/opportunity is less formal. CR&OM provides support to programmes and projects, and the corporate programme and/or project management methodology details the approach that should be followed for monitoring, reporting and escalating risk/opportunity to project and programme boards.

Monitoring & reporting - strategic/corporate risk & opportunity register

Thurrock Council's Risk and Opportunity Management Maturity – Review

The development of the risk and opportunity management framework and the level to which it is embedded in the working practices of the organisation are reviewed and/or benchmarked against good practice on an annual basis. The improvement opportunities highlighted by the review are used to inform the CR&OM priorities and plans for the short/medium term.

Further Guidance, Tools, Support and Training

The latest version of the Risk and Opportunity Management Policy and Strategy and all other documents are available on the Risk and Opportunity Management page of the Council's Intranet, see: In-Form | Finance and IT | Risk and Opportunity Management. Alternatively the details can be obtained from CR&OM via the following contact:

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Thurrock Council

Risk and Opportunity Management Framework

Who	Key Roles & Responsibilities	Report Type	By Whom	Frequency
Council	Receive and act upon: • Reports from Cabinet, S&AC and Head of Paid Service. • Reports, recommendations and advice from S&AC	• e.g. Annual Governance Statement; Policy, Strategy and Framework report and other relevant reports.	Cabinet, Standards & Audit Committee.	Annually
Cabinet	• Agree the ROM Policy, Strategy & Framework and receive reports on them. • Hold the political responsibility for ROM within each individual portfolio. • Identify a lead portfolio holder for ROM	• Policy, Strategy & Framework and other relevant reports. • Receive updates on the Strategic/Corporate R&Os and action plans	Standards & Audit Committee and Directors Board	• Annually or as required • Bi Annual
Standards & Audit Committee	• Oversee and challenge assurance and the ROM arrangements	• Review of Policy, Strategy & Framework • Receive updates on the Strategic/Corporate R&Os and action plans • Receive assurance on effectiveness of ROM	Director of Finance & IT	• Annually • Bi Annual • Annually
Directors Board	• Strategic leadership group for ROM • Oversee the ROM Policy, Strategy & Framework • Responsible for effectiveness of R&O and assurance arrangements and any management or mitigation. • Quarterly monitoring of Strategic/Corporate R&Os & associated action plans.	• Review of Policy, Strategy & Framework. • Reviews of Strategic/Corporate R&Os and action plans. • Review / Benchmarking of ROM	Director of Finance & IT	• Annually • Quarterly • Annually
Corporate Risk & Opportunity Management	• Establish the ROM Policy, Strategy & Framework • Stewardship of the Strategic/Corporate R&O Register • Review /Benchmarking of ROM • Establish Service level ROM • Provide consultancy and advice on ROM	• Review of ROM Policy, Strategy & Framework. • Reviews of Strategic/Corporate R&Os and action plans. • Review / Benchmarking of ROM	Corporate Risk & Insurance Manager	• Annually • Quarterly • Annually
Directors & Assistant Directors	• Monitoring of Strategic/Corporate R&Os for the directorate or Council. • Escalation as appropriate of Strategic/Corporate R&Os to DB • Monitoring of high level R&Os facing the directorate or Council (e.g. programme, partnership, project and service R&Os)	• Reviews of Strategic/Corporate R&Os and action plans to DB • Report to Portfolio Holders on the high level R&Os facing the directorate or Council	Directors & Assistant Directors	Quarterly or as required
Directorate/Dept Management Teams	• Identification and monitoring of Strategic/Corporate and other key risks/opportunities facing the department • Escalation as appropriate of S/C R&Os to Directors Board	• Review of R&Os and R&O Registers as a standing agenda item at DMT meetings • DMT to receive & approve updates to S/C R&Os and action plans	Directors, Assistant Directors, Service Manager or Lead Officer	Quarterly or as required by Director or DMT
Performance Board	• Support the review and development of ROM Policy, Strategy & Framework. • Support the development/review of the Strategic/Corporate R&Os register. • Review / Benchmarking of ROM	• Review of Policy, Strategy & Framework. • Reviews of Strategic/Corporate R&Os and action plans. • Review / Benchmarking of ROM	Corporate Risk & Insurance Manager	• Annually • Quarterly • Annually
Service Managers	• Identification, management and review of R&Os within their Service or area of responsibility. • Monitoring and escalation as appropriate of R&Os to either Director or relevant DMT	• Review of R&Os and R&O Registers as a standing agenda item at Service SMT meetings. • Review of Strategic/Corporate R&Os and action plans to DMT • Report to DMT on identified R&Os that require consideration for escalation to the S/C R&O Register	Service Managers	Quarterly or as required by Director, Assistant Director or DMT
Programme & Partnership Boards or Project Managers	Responsible for the identification, management and monitoring of R&Os within their given areas.	Report on the management of R&Os and escalation of high level R&Os as required or necessary	Programme Boards, Partnership Boards and Project Managers	Quarterly or as required by Director, Assistant Director, DMT or Service Manager
Employees	To manage risk effectively in their job and report hazards, risks or opportunities to their Service Manager.	Report incidents, risks and opportunities following the procedures laid down in corporate policies.	All Employees	As necessary or required.