

Risk Responses - Responses to risk can be divided into four response categories:

- Transfer:** For some risks the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks of risks to assets.
- Tolerate:** The exposure may be tolerable without any further action being taken. Even if it is not tolerable, ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. In these cases the response may be toleration. This option may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised.
- Treat:** By far the greater number of risks will belong to this category. The purpose of treatment is not necessarily to obviate the risk, but more likely to take control action to contain the risk to an acceptable level. Such controls can be **corrective, detective, directive or preventive** (see glossary)
- Terminate:** Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. It should be noted that the option of termination of activities may be severely limited in the public sector when compared to the private sector; a number of activities are conducted in the public sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved.
- Take the Opportunity:** This option is not an alternative to those above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this. The first is whether or not at the same time as mitigating threats, an opportunity arises to exploit a positive impact. The second is whether or not circumstances arise which, whilst not generating threats, offer positive opportunities – for example a drop in the cost of goods or services might free up resources for redeployment.

These risks need to be assessed for Probability and Impact using the following scale: Green: low risk, Amber: medium risk and Red: High Risk.

Probability

Level	Description	Detailed Description
5	Almost Certain	Expected to occur in most circumstances. Greater the 95% probability of occurring.
4	Probable	Will probably occur in most circumstances. 60% - 95% probability of occurring.
3	Possible	Might occur at some time. 20% - 60% probability of occurring.
2	Unlikely	Unlikely to occur. Between 10% and 20% probability of occurring.
1	Rare	May occur in exceptional circumstances. Less than 10% probability of occurring.

Colour Key Code
Low Risk
Medium Risk
High Risk

Impact

Level	Description	Financial	Time	Reputational
5	Highly Significant	Huge financial loss, >10% of project cost.	Major disruption to the school and/or services or major failure to deliver vital services.	Serious major reputational damage inflicted, external intervention certain.
4	Major	Major financial loss, 5-10% of project cost.	Major disruption to the school and/or services or medium failure to deliver vital services.	Major reputational damage inflicted, external intervention likely.
3	Moderate	Medium financial loss, 2-5% of project cost.	Disruption to the school and/or services or short failure to deliver vital services.	Reputational damage inflicted, external intervention possible.
2	Minor	Minor financial loss, 1-2% of project cost.	Little disruption to the school and/or services.	Could effect reputation.
1	Insignificant	Little or no financial loss, >1% of project cost.	Inconvenience to the school and/or services.	Potential reputation issue.

FACILITIES & FINANCE COMMITTEE RISKS – SSEF EXPANSION RISKS (Last reviewed by Committee: June 2019)

Risk No.	Type & Category of Risk	Sub category	Specific	Probability of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Response	Control procedures and target date	Person(s) responsible for action
E1	Compliance – 1 Legislation risk	Health & Safety	Legislative requirements re employees and environment are not known or fulfilled	1	3	Treat	<ul style="list-style-type: none"> Adviser to be in place with appropriate skills and knowledge to ensure health and safety risks managed in a proportionate way. 	Business Manager Headteacher Manager
E2	Operational – 2 Human resources risk	Health & Safety	Injury to staff	1	4	Treat	<ul style="list-style-type: none"> Construction site to be fenced off compound, with pre construction information shared including health and safety plan, method statement, fire procedures and evacuation procedures between school and principal contractor / designer. Ensure contractor's site manager maintains health and safety management arrangements for duration of project Ensure that the principal designer prepares a health and safety file for the project and that it is revised as necessary and made available to anyone who needs it for subsequent work at the site Communicate to staff and students at assembly the dangers of construction sites 	Business Manager Headteacher Site Manager Project Manager Principal Contractors
E3	Operational – 2 Human resources risk	Health & Safety	Injury to pupil/third party	1	1-4	Treat	<ul style="list-style-type: none"> Construction site to be fenced off compound, with pre construction information shared including health and safety plan, method statement, fire procedures and evacuation procedures between school and principal contractor / designer. Ensure contractor's site manager maintains health and safety management arrangements for duration of project Ensure notifiable projects (>30 days and >20 workers or 500 individual work days) are reported to HSE Communicate to staff and students at assembly the dangers of construction sites 	Business Manager Headteacher Site Manager Project Manager Principal Contractors
E4	Operational – 2 Human resources risk	Health & Safety	Fatality to staff/pupil/third party	1	5	Treat	<ul style="list-style-type: none"> Construction site to be fenced off compound, with pre construction information shared including health and safety plan, method statement, fire procedures and evacuation procedures between school and principal contractor / designer. Ensure contractor's site manager maintains health and safety management arrangements for duration of project 	Business Manager Headteacher Site Manager Project Manager Principal Contractors

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							<ul style="list-style-type: none"> Ensure notifiable projects (>30 days and >20 workers or 500 individual work days) are reported to HSE Communicate to staff and students at assembly the dangers of construction sites Ensure that the principal designer prepares a health and safety file for the project and that it is revised as necessary and made available to anyone who needs it for subsequent work at the site 	
E5	Operational 5 Building risk	Health & Safety	Building unavailable due to fire or extensive damage	2	5	Treat	<ul style="list-style-type: none"> Advise Insurance firm ahead of commencement of building works and value to ensure coverage under work in progress cover, including any hot works permit templates Ensure fire procedures are updated as required to adapt to changing site activity. Evacuation site agreed with KEGS as immediate safety protocol. Business Continuity Plan in place. Delay to build could be supported through temporary accommodation funded by insurance. 	Business Manager
E6	Strategic & Reputational Risk	Insurance risk	Risk of financial loss/inability to replace items if charity does not have adequate insurance cover	1	3	Treat	<ul style="list-style-type: none"> Comprehensive insurance cover held for the current year. Advise Insurance firm of building works and value to ensure coverage under work in progress cover, including any hot works permits 	Headteacher Business Manager
E7	Financial – Fixed asset risk	Capital construction	Assets built by contractors do not meet specifications, or actual cost exceeds budget	2	3	Treat	<ul style="list-style-type: none"> Detailed design agreed. Project Management reviews. Detailed cost reports maintained and reviewed with appropriate personnel. Monthly reporting to ESFA funding team 	Governors Headteacher Business Manager
E8	Operational – Income risk	Grants receivable	Grants receivable not used for the purposes for which they were given	1	3	Tolerate	<ul style="list-style-type: none"> Proper use of PSF financial system to track income and expenditure Review of management accounts Monthly reporting to ESFA team ICE checks 	Business Manager Senior Finance Officer
E9	Operational – Income risk	Grants receivable	Grant receivable reporting requirements are not adhered to	1	3	Treat	<ul style="list-style-type: none"> Annual audit checks ICE checks Reports to relevant Governors' committee 	Business Manager

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E10	Operational – Supplier risk	Supplier selection	Supplier's financial viability and appropriateness	2	2	Treat	<ul style="list-style-type: none"> Financial Regulations detail requirements for multiple quotes and/or tender process References sought on new suppliers undertaking high value contracts. Most suppliers are paid in arrears. 	Business Manager Budget Holders
E11	Operational – Supplier risk	Supplier selection	Supplier connected with either Governors or staff	2	1	Treat	<ul style="list-style-type: none"> Register of business interests is maintained for all staff and Governors. 	Business Manager Finance Office
E12	Compliance – Welfare compliance risk	Child Protection Act risk	Risk that legislative requirements are not known or complied with	1	4	Treat / Transfer	<ul style="list-style-type: none"> Contractors site secure – lead site team DBS checked. Operate sign in/out procedure to compound. Access to school outside of compound requires school sign in & supervision procedure to be followed Contractor's code of conduct documented in pre-start meeting 	Business Manager Project Manager
E13	Compliance – 7 Welfare compliance risk	Disability risk	Risk that legislative requirements are not known or complied with	1	4	Treat / Transfer	New building constructed under DDA compliance.	Headteacher/ Business Manager/ Site Manager