



LOVING
LIVING
LEARNING
TOGETHER

Leeds Diocesan Learning Trust (LDLT)

Company Number 13687278

Risk Management Policy

Policy Reviewed and Adopted by Board of Directors: 05.08.22

Date of Next Review: July 2025

Responsible Officer: CFO/CEO

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Vision Statement

Serving and celebrating our unique schools and communities, we will love, live and learn together. Valuing our pupils, staff, governors and team as people of God, we will deliver transformational learning and the flourishing of all.

Related Policies

- Finance Policy
- Academy Trust Handbook
- Scheme of Delegation

1. Introduction

Risk assessment is a process whereby the Trust considers all predictable occurrences that would prevent it meeting the objectives set out to ensure that all students maximise their performance.

2. Risk Management Objectives

The objectives for managing risk across the Trust are:

- To comply with risk management best practice.
- To ensure reasonable risks facing the Trust are identified and appropriately documented.
- To provide assurance to the Directors and Local Academy Councils that known risks are being adequately controlled or identify areas for improvement.
- To ensure appropriate action is taken in relation to accepting, mitigating, avoiding and transferring risks.

3. Risk Management Strategy

This strategy aims to:

- Outline the roles and responsibilities for risk management.
- Identify risk management processes to ensure that all reasonable risks are appropriately identified, controlled and monitored.
- Ensure appropriate levels of awareness throughout the Trust.

4. Roles and Responsibilities

The Chair of Directors (CoD) and Chief Executive Officer (CEO) have overall responsibility for risk management. This responsibility includes:

- Monitoring the performance of risk management processes;
- Ensuring that appropriate controls are in place to manage identified risks;
- Preparation of periodic reports to the Audit and Risk Committee and Full Trust Board.

A full risk assessment review will be carried out on an annual basis. However, additional risk assessments will take place at any time within the calendar, should it be necessary. Risk

should be managed by each Committee, as well as Local Academy Councils, ensuring the responsibility to address specific risks is delegated to the most appropriate group.

5. Identification of Risks

Our approach to risk management is linked to the Trust’s strategic aims and objectives.

The risk areas have been broken down into four categories: Strategic and Reputational, Operational, Compliance and Financial. These risks need to be assessed for likelihood (probability) and impact.

Likelihood (Probability) is assessed on a scale of 1 - 5, with 5 being extremely likely and 1 being extremely unlikely.

Impact is assessed on a scale of 1 - 5, with 5 being extremely harmful or high severity, and 1 being low severity.

6. Evaluation of Risks

The Risk Management Standard states that risks should be evaluated against agreed criteria to make decisions about the significance of risks to the organisation. These will be RAG rated to demonstrate the more high-risk areas. Risks rated as red will be reviewed every three months, amber every six months and green every twelve months.

The Trust uses a 5x5 matrix to assess impact and likelihood (probability), as illustrated in the diagram below:

| | | | | | |
|----------------------------|--------------------------|----|----|----|----|
| I M P A C T | 5 | 10 | 15 | 20 | 25 |
| | 4 | 8 | 12 | 16 | 20 |
| | 3 | 6 | 9 | 12 | 15 |
| | 2 | 4 | 6 | 8 | 10 |
| | 1 | 2 | 3 | 4 | 5 |
| | Likelihood (Probability) | | | | |

Likelihood

When unsure about the percentage chance of a risk happening over a given timescale or the data isn’t available to assess its frequency, the likelihood descriptors (i.e., ‘Very low’, ‘High’ etc.) should be used to determine the most suitable score.

The risk timescale – i.e. the period of time during which the risk could materialise - will vary according to the type of risk it is. For example:

- For a budget risk, it might be expected to materialise over this financial year or over the period of the Medium-Term Financial Plan.

- For a project risk, it could be either over the whole of the project lifecycle or for a particular phase within the project.
- For a number of the more cross-cutting strategic risks such as those on the risk register, it is likely that the risk could materialise at any time.

| Likelihood Score | 1 | 2 | 3 | 4 | 5 |
|--|------------------------|---------------------------|---------------------------|-------------------------------|----------------------|
| Likelihood Descriptor | Very Unlikely | Unlikely | Possible | Likely | Very Likely |
| Frequency (How often might it happen) | Very unlikely to occur | More likely not to occur | Could occur at some point | More likely to occur than not | Very likely to occur |
| % Likelihood | Less than 5% chance | between 5% and 30% chance | Between 30% to 60% chance | Between 60% to 90% chance | More than 90% chance |

Impact

Many risks could have a range of consequences: for example, a Health & Safety breach could affect an individual as well as lead to reputational and financial damage for an organisation. It's therefore possible that the risk is assessed as having an impact of '3' using the Health & Safety impact, '2' for Finance and '4' for reputation.

Although the risk could be broken down into several different risks covering all these areas and then each scored to address the varying impact scores, often this can crowd a risk register and take the focus away from the actual risk 'event': i.e., the Health & Safety incident. Where possible, it's better to focus on the key risk and use judgement to give an overall single impact assessment score.

| Impact Score | 1 | 2 | 3 | 4 | 5 |
|------------------------------|---|---|--|--|--|
| Impact Descriptor | Insignificant | Minor | Moderate | Serious | Critical |
| Projects / Programmes | Little or no schedule slippage. No threat to anticipated benefits & outcomes. | Minor delays but can be brought back on schedule within this project stage. No threat to anticipated benefits & outcomes. | Slippage causes delay to delivery of key project milestone but no threat to anticipated benefits / outcomes. | Slippage causes significant delay to delivery of key project milestone(s). Major threat to achievement of one or more benefits / outcomes. | Significant issues threaten entire project. Could lead to project being cancelled or put on hold. |
| Financial Impact | No or minimal financial cost. | Losses / costs incurred of 1-2% of budget. | Losses / costs incurred of 3-5% of budget. | Losses / costs incurred of 6-10% of budget. | Losses / costs incurred of more than 10% of budget. Not covered by insurance. |
| Reputation | No adverse publicity. Rumours. | Single adverse article in local media or specific professional journal. | A number of adverse articles in regional / social media mentioning HSPAT. Some recirculation via social media. Single request for Director/CEO to be interviewed on local TV or radio. Adverse reaction by HSPAT parents in social media / online forums. Short-term reduction in public confidence. | Series of adverse front page / news headlines in regional or national media. Wider recirculation via social media. Sustained adverse reaction by HSPAT parents in social media etc. Repeated requests for Director/CEO to be interviewed on local TV or radio. Long-term reduction in public confidence. | Sustained adverse publicity in regional media and / or national media coverage. Extensive / prolonged recirculation via social media channels. Repeated requests for Director/ CEO to be interviewed on national TV or radio. Possible resignation of senior officers. Total loss of public confidence. |

| Impact Score | 1 | 2 | 3 | 4 | 5 |
|-------------------------------|--|--|---|--|--|
| Impact Descriptor | Insignificant | Minor | Moderate | Serious | Critical |
| Education Interruption | Negligible. No impact on education. | Minor inconvenience for students and staff. Services quickly restored. | Some parent and student dissatisfaction but education restored before any major impacts. | Major disruption to delivery of education. This could be through a single event or a series of outages. | Massive disruption to delivery of education. Recovery difficult or even impossible. |
| Staff | No impact on staff or service delivery. | Short-term low staffing level that temporarily reduces service quality. No impact on staff morale. | Medium-term low staffing level / insufficient experienced staff to deliver quality service. Some minor staff dissatisfaction. | Late delivery of key objective / service due to lack of experienced staff. Low staff morale. | Non-delivery of key objective / service due to lack of experienced staff. Very low staff morale. |
| Legal and Compliance | No or minimal impact or breach of guidance / statutory duty. | Minor breach of statutory legislation / regulation. Reduced performance rating if unresolved. | Single breach in statutory duty. Challenging external recommendations / improvement notice. | Several breaches in statutory duty. Enforcement action and improvement notices. Critical report. Low performance rating. | Multiple breaches in statutory duty. Prosecution. Complete systems / service change required. Severely critical report. Zero performance rating. |
| Health & Safety | No ill effects. | Short-lived / minor injury or illness that may require First Aid or medication. Small | Moderate injury / ill-effects requiring hospitalisation. Risk of prosecution from enforcement agencies. | Single serious injury and / or long-term illness or multiple injuries. | Single or multiple fatalities and / or multiple incidences of permanent disability or ill-health. |

| Impact Score | 1 | 2 | 3 | 4 | 5 |
|-------------------------|--|---|--|---|--|
| Impact Descriptor | Insignificant | Minor | Moderate | Serious | Critical |
| | | number of work days lost. | | | |
| Digital Security | No digital breach of systems or data. | Single breach of non-sensitive, non-business critical systems or data. Any loss quickly recovered and contained. | Single breach of data or systems which are operational or public-facing. Data recovered and contained. | Multiple breaches of data or system with limited ability to recover or contain the loss, or single breach of sensitive data or business-critical system. | Multiple breaches of one of more datasets including sensitive personal data, or sustained breach of business-critical or public facing systems, with limited means of recovery |
| Environmental | Carbon neutral or negative output in comparison to alternatives. No adverse effects on air, land or water quality. | Low levels of carbon output in comparison to alternatives. Minimal adverse effects on air or water quality to controlled geographic area. | Moderate levels of carbon output in comparison to alternatives. Some adverse effects on air or water quality to compact geographic area. | Noticeably higher levels of carbon output in comparison to alternatives. Noticeable adverse impact on air or water quality in multiple geographic area/s. | Significantly higher carbon output in comparison to alternatives. Significant harmful effect on air or water quality to large geographic area/s. |
| Infrastructure | No effect on local infrastructure, communities or the environment. | Superficial damage to local infrastructure (e.g. minor road) but little disruption caused. | Medium damage to local infrastructure (e.g. minor road) causing some disruption. | Key elements of local infrastructure (e.g. school, major road) damaged causing major disruption. | Extensive damage to critical elements of local infrastructure (e.g. school, hospital, trunk road) causing prolonged disruption. |

7. Risk Appetite

The term risk appetite describes the Trust's readiness to accept risks and those risks it would seek to reduce or mitigate. The Trust's risk threshold is the matters rated as amber or red (represented by scores of 4 and above) in the risk matrix in section 6. Above this threshold, the Trust will actively seek to manage risks and will prioritise time and resources to reducing, avoiding or mitigating these risks.

8. Addressing Risks

When responding to risks, the Trust will seek to ensure that it is managed and does not develop into an issue where the potential threat materialises.

The Trust will adopt one of the 4 risk responses outlined below:

| | |
|-------------------|--|
| Avoid (Terminate) | Counter measures are put in place that will either stop a problem or threat occurring or prevent it from having an impact on the business. |
| Transfer | The risk is transferred to a third party, for example through an insurance policy. |
| Mitigate (Treat) | The response actions either reduce the likelihood of a risk developing or limit the impact on the Trust to acceptable levels. |
| Accept (Tolerate) | We accept the possibility that the event might occur, for example because the cost of the counter measures will outweigh the possible downside, or we believe there is only a remote probability of the event occurring. |

9. Risk Reporting and Communication

The aim of reporting risk is to provide assurance to the Directors, Local Academy Members, Chief Executive Officer, Senior Management and Auditors that the Trust is effectively managing its risks and has a robust system of internal controls.

The Senior Management Team across LDLT will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered by the Directors, along with a summary of actions taken.

The SMT will endeavour to raise awareness that risk management is a part of the Trust's culture and seek to ensure that:

- individual members of staff are aware of their accountability for individual risks.
- individuals report promptly to senior management any perceived new risks or failure of existing control measures.

The Headteachers should communicate any additional risks or changes to the impact and likelihood of the risk, to the CEO/CFO at the earliest opportunity.

If the risks are considered to impact the Trust as a whole, then the individual risks for schools will be considered alongside the overall central trust risk register.

10. Risk Register

The reporting mechanism will be the Trust's Risk Register. This will highlight the key risks facing the Trust, as well as a breakdown for each key strategic aim.

Any significant changes in risk impact or probability, or the occurrence of an event which raises the profile of a risk will be recorded on the risk register as it occurs. Any new or increased risks identified in Director, LAC or Executive meetings, or raised by a member of staff will be evaluated and, if appropriate, recorded in the Risk Register and reported to the next appropriate Trust Committee meeting.

11. Annual Risk Review and Assessment

The internal audit review provides an annual assessment of the effectiveness of the Trust's management of risk, in addition to the reviews led by the Executive team within the year.

The annual review of the risk assessment policy will take place annually during the Autumn term. This will enable review of:

- The significant risks facing the Trust.
- The effectiveness of the risk management processes.
- That the Trust has published a risk management policy covering risk management and responsibilities.