GLEBE PRIMARY SCHOOL
UNITED LEARNING ACADEMY

Risk Management Framework Policy
Summer 2024-2025

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New Review: Summer 2025

Approved by the Local Governing Board on 9th July 2024

Signed by: Mr. James Dempster
Position: Chair of the Local Governing Body

United Learning Risk Management Framework

Introduction: risk management in United Learning

United Learning's aim is to provide excellent education, preparing pupils for life and influencing educational practice and policy. All our activities – whether in schools or in central office – are intended to advance this aim, either directly or indirectly. We only do those things that we believe will benefit children and young people and/or will enhance our ability as an organisation to benefit children and young people into the future.

Schools are dynamic institutions: the staff and pupils within them are responding day by day to changes in individuals, relationships and contexts (some small, some not so small). As an organisation, we strive for continuous improvement – we make changes that we believe will enable us to achieve better outcomes. We face external threats and opportunities that may emerge and change over time – growing and receding in importance – that may affect our ability to achieve our objectives. Our own actions may have unforeseen consequences. All of this creates inherent uncertainty – and risk.

Risk is best understood as variability of outcomes. The more uncertain an outcome, the more risky the activity. Only where an outcome is wholly certain is there no risk at all, something that is unachievable in the real world. Our schools cannot educate children without exposing them to some level of risk, nor without taking some risks in pursuit of excellence. As an organisation, we are constantly making judgements about the balance between risk and reward so as to achieve the greatest possible benefit for the least possible cost.

Risk management helps us to make those judgements; to understand how, where and when threats or opportunities may arise and the impact they could have on outcomes. It gives us a common language to talk about the risks we face as an organisation, including the extent to which we are willing to accept those risks (because of the benefit we believe doing so will bring). It supports us to think systematically about what we can do to reduce uncertainty and maximise the likelihood of achieving our objectives.

Risk management is most effective when it is integrated with other key processes that support decision-making – planning, monitoring and evaluation – and when it is seen as something that is part of all of our roles, not simply something owned by senior leaders in schools or central office. This framework, and the principles that underpin it, is intended to establish a consistent basis for the way in which we manage risk in United Learning, in the service of our aim of providing excellent education to our pupils.

The framework is reviewed on an annual basis and all feedback is welcome. Please email company.secretary@unitedlearning.org.uk if you have any questions or comments.

Current external context

The external context in which United Learning schools operate has a significant impact on the level of risk they are exposed to and influences the action we take in response. The following are currently the most significant external factors affecting our risk profile as an organisation.

- **Financial pressures (academies)**: funding for public services (including education) has been under pressure for some time. We expect this to continue to be the case for the next few years, with little prospect of real-terms growth in per-pupil funding. Falling pupil numbers at primary are also adding to pressure on school budgets.
- **Financial pressures (independent schools)**: there are a number of confirmed and potential changes that will impact significantly on the costs facing independent schools: increase in the employer contribution to the Teachers' Pension Scheme (from April 2024); removal of business rates relief (expected from April 2025); and imposition of VAT on school fees (subject to the outcome of the general election, expected from April 2025).
- **Recruitment**: with numbers entering initial teacher training having fallen significantly short of target for the last two years, we are already facing an extremely challenging teacher recruitment market. This is expected to get worse. Recruitment of support staff has also become more difficult in the last few years, with the 'flexibility' advantage the education sector has traditionally enjoyed being eroded by growth in opportunities for working from home and on more flexible terms.
- **SEND**: the number of pupils with an identified SEND need nationally has increased over recent years. At the same time, funding for high needs SEND has remained static, creating a widening gap between the cost of providing effective support for these pupils and the funding schools receive. Local authority teams are also under significant pressure, leading to delays in assessment and agreeing EHCPs.
- **Cost of living pressures**: while inflation has reduced significantly in the last 12 months, we expect the impact of higher inflation to continue to be felt for some time. Housing costs remain high, affecting affordability for teachers (particularly, but not exclusively, in London and the south) and increasing the number of children in our schools in temporary or precarious accommodation.
- **Wider social influences**: we are seeing evidence across our schools (and more widely) of the ongoing impact of the pandemic on the 'social contract' between schools and families. Examples of this include changing attitudes to school attendance and children starting primary school less independent and with less developed social skills than was generally the case pre-pandemic. Schools also report that increased access to and use of social media – including by quite young children – has an impact on behaviour, mental health and relationships.

Our approach

This framework sets out our approach to risk management in United Learning, aligned with Charity Commission guidance[1] and with the requirements set out in the Academies Financial Handbook[2]. It applies to all staff employed by United Church Schools Trust ("UCST") and United Learning Trust ("ULT") including teaching, non-teaching, fixed-term, part-time, full-time, permanent and temporary staff, as well as the Trustees and Local Governing Body (LGB) Members. The two companies (UCST and ULT) are referred to throughout as 'United Learning'. It covers:

1. Risk appetite

2. Risk management principles

3. Levels of risk management in United Learning

4. Roles and responsibilities

5. Risk management in practice: the risk management cycle

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[1] Charity Commission guidance on risk management is available here:
https://www.gov.uk/government/publications/charities-and-risk-management-cc26
[2] The latest version of the Academies Financial Handbook is available here: https://www.gov.uk/guidance/academies-financial-handbook. Part 2 contains the main requirements relating to risk management.

Risk appetite

An organisation's appetite for a particular type of risk is to be understood as how much variability of outcome in that risk area it will tolerate relative to the benefit it expects to achieve (with the benefit measured against the organisation's ultimate goals or aims).[3]

United Learning's statement of risk appetite sets out the extent to which we tolerate different risks in the pursuit of our long-term objectives. Its purpose is to guide decision-making and to support leaders and managers in determining the appropriate response to risks as they are identified and in balancing risk and reward.

Areas where we seek to minimise risk

In relation to **safeguarding of children**, we adopt a precautionary approach and seek to minimise risk. Child protection is an important aim of all our work. We are not averse to taking on schools or other projects where there are safeguarding concerns, provided that our involvement can rapidly and effectively improve the position.

In relation to **health and safety at work**, we likewise seek to minimise risk. We seek to make sure that our workplaces are safe for all colleagues, pupils and visitors and to meet high standards of health and safety management.

In relation to these two areas, we note that a good education does require some risk. We should not over-protect children to the point that they do not have access to valuable educational experiences, learn to manage risk for themselves or leave school unprepared for the next stage of their lives. However, appropriate risk in the educational process is always proportionate to the likely benefit, always assessed, thought-through and managed.

We take all steps necessary to minimise the risk to **continuity of learning** for children in our schools. Disruption to children's education has a significant impact both on academic outcomes and on children's wellbeing. We invest in technology to ensure that children can access learning remotely where exceptional circumstances mean they cannot attend school.

We seek to minimise risk of **legal non-compliance.** Any activity which breaches statute or regulation puts at risk our ability to continue to operate and therefore to benefit young people or achieve our objectives in the long term.

We also seek to minimise risk of material **fraud** and of **financial impropriety**. Loss of substantial sums of money through fraud would substantially jeopardise our ability to continue to deliver benefit to young people, as would improper use of public or charitable resources; there is no trade-off between our ability to carry out our purposes on the one hand and these things on the other.

Areas where we have some, but limited, appetite for risk

In relation to **short term financial losses**, we are prepared to take well-managed risks to advance our charitable purposes. Using charitable resources to advance our core purposes is fully justified, we do not need every activity to generate surplus and we are prepared to take financial risk where there is educational benefit. However, we are averse to activities which may lead to large, continuing long-term losses which may jeopardise our viability or limit our ability to achieve our wider purposes. We always look for long-term security or appropriate external financial backing to limit our risk.

Areas where we have moderate appetite for risk

In relation to **educational initiatives** we are prepared to innovate in a disciplined way in order to create educational value. We will undertake new activities which could fail through lack of uptake or impact if we have strong reason to believe that they may have long-term value. We will limit our risk by using evidence, piloting and feedback and only invest limited resources until we are confident of impact.

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[3] An assessment of benefit may itself be uncertain. Often it will be a 'best estimate' of the benefit considered most likely to result from an activity, across the range of possible outcomes.

In relation to **people**, we recognise that we are a people business and cannot be better than the people who work for the organisation. However, we are willing to do things differently or challenge the norms of the sector to attract and retain the best people and to get the best from them in the interests of young people.

In relation to **reputation**, we know that our good reputation is important to us and if we lose it, our ability to achieve our goals will be harmed. However, we will not put it ahead of doing the right thing. We would rather take the right action and be criticised than take the wrong course to protect our reputation.

Areas where we have substantial appetite for risk

In relation to our **growth**, we are willing to accept substantial risk in order to deliver substantial benefit. We take on schools with serious problems, aiming to turn them around and transform the education they provide, often when no-one else can or will. Often these schools are underperforming both educationally and financially and taking them on is a high-risk endeavour – to the point that problems and set-backs are highly likely. This is justified by the needs of the children, where there is a high expected benefit to them of our taking the project on.

We nonetheless seek to manage risk in relation to such projects in two crucial ways. First, we only take them on where we believe firmly that we have the capacity to do an excellent job and that doing so would not unduly impact our existing operations. Second, recognising that turnaround projects often require significant financial investment, we take them on only where we are confident that we have sufficient financial protection in place, whether through long-term security or external financial backing (aligned with our approach to financial risk, set out above).

Risk management principles

The following principles underpin our approach to risk management at all levels. Risk management should be:

Embedded – managing risk is part of what we all do, all of the time, not an 'add on'; risk management is integral to the decision-making process, to our governance and to the way in which we plan and monitor activity at all levels

Proportionate – we focus on the things that matter and that could have a material impact on our ability to achieve our objectives; in managing risk we take account of the scale and scope of the activity and seek to ensure that control measures are in proportion to the potential threats; we keep bureaucracy to a minimum while ensuring appropriate documentation to support good governance

Continuous – the risk cycle is ongoing; risks can (and should) be identified at any point through continuous monitoring and review, to be managed at the appropriate level

Proactive – while regular compliance activity is an important part of the way in which we identify and manage risk, it should not be relied upon as the only means of doing so; active and ongoing consideration of risk helps us to plan, to take control of the circumstances in which we find ourselves, to take opportunities and reduce threats; we all take responsibility for flagging risks, rather than waiting for someone else to notice

Communicated – the importance United Learning places on effective risk management, together with the behaviours expected of all staff across the organisation in relation to risk are clearly communicated and understood; colleagues talk to each other about shared risks

Owned – while risk management is the responsibility of everyone within United Learning, there are clear and specific accountabilities for individual risks (and for mitigating actions) and roles and responsibilities relating to risk management are defined and understood.

Levels of risk management in United Learning

Risks are managed at different levels within the organisation:

- **Strategic: group level** – United Learning maintains a strategic risk register.[4] This identifies those risks that are of strategic importance to the organisation as a whole. Most of these are broad and abiding: they are things an organisation like ours would always wish to manage proactively, regardless of the policy and regulatory context. Additionally, specific risks that relate to or flow from the delivery of strategic objectives are identified as part of the annual strategic planning process and recorded in strategic plans. These will generally be reflected in the strategic risk register as aspects of the overall strategic risks.

  Operational risks may be escalated to the strategic risk register if they are considered likely to have a material impact on the delivery of strategic objectives, if management of the risk requires Executive Board focus and/or if planned mitigations are not successful in reducing the risk within the agreed risk tolerance.

  The Executive Team and the Board also consider, on a regular basis, the strategic implications arising from operational risk management and mitigation, for example, through the annual internal audit report and summary reports relating to specific areas of compliance.

- **Operational: group level** – United Learning resources core functions at Group level that are focused on the management of operational risk, including: internal audit; health and safety; safeguarding; data protection; information security; independent school compliance. Expectations are set through group policies that schools are required to adopt and against which compliance is monitored.

  United Learning operates a group-wide initial teacher training provider (United Teaching) and is a provider of Apprenticeships. These two programmes manage risks in accordance with the relevant regulatory frameworks.

  Operational risk registers are also maintained for key projects and programmes at group level; the form these take varies but follows the guidance in the 'risk management in practice' section of this framework.

> **Group-wide systemic risk response**
> - **Group insurance policy** – all United Learning schools are insured through a Group-wide policy with Zurich. This provides financial cover against a wide range of operational risks.
> - **Group policies** – United Learning has a number of Group policies relevant to specific risks (for example: fraud prevention, financial propriety, HR, safeguarding, health and safety, data protection, information security), which schools are required to adopt (adapted as appropriate to their local context). These are designed to secure consistency of approach aligned with our risk appetite. All are available via the Policies Portal on United Hub.
> - **Compliance** – United Learning monitors compliance in a number of ways, including through the programme of internal audit (school- and Group-level) and through function-specific audit carried out by the specialist leads. We also provide support through central training and networks.

- **Strategic/operational: school level** – all United Learning schools are required to maintain a risk register, which should cover the major risks that would threaten the viability of the school. Additionally, all schools must identify members of staff to lead on specific areas of operational risk: safeguarding; health and safety; data protection.

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[4] The risks in the strategic risk register cover both academies and independent schools. Where the Executive and Board consider that the risk profile for one sector is substantially different from that facing the other sector, this will be reflected in assessments of risk impact/probability and direction of travel, while maintaining a single risk description and action/mitigation log.

> **School-level systemic risk response**
> - **School policies** – Schools adopt and implement defined policies (aligned to Group policies, adapted as appropriate), which set out the expectations and behaviours required at school level. These are reviewed and approved on a defined cycle by the Local Governing Body.
> - **Compliance** – Schools are required to identify leaders to take responsibility for specific areas, for example: safeguarding, health and safety, data protection. These leads ensure all school staff have a good understanding of their roles and responsibilities and have undertaken appropriate training.

- **Operational: project and programme** – risks that relate to or flow from a specific project or programme will generally be captured and monitored separately, in a way that is proportionate to the scale and scope of the project or programme. In most cases it will be appropriate to maintain a specific risk register.

These levels of risk management do not operate in isolation from each other, for example: risks managed at one level will often be reflected in risks managed at a different level (through cascade or aggregation); and risks may cut across more than one project. Not all risks are – or need to be – formally captured or documented; risk management is nonetheless part of all our work, day-to-day.

Roles and responsibilities

United Learning's Trustees have overall responsibility for risk management across the Group.

However, all of us in United Learning have a responsibility for the identification and management of risk day-to-day. This includes escalation (to managers, school leaders, heads of central office departments or, ultimately, the relevant Executive Director) where we cannot manage them locally.

Specific roles and responsibilities are as follows:

Corporate roles and responsibilities

United Learning Group Board – the Board holds overall responsibility for risk management across the Group, including for the overall risk 'culture' and for setting the tone for United Learning's approach to risk. It reviews the strategic risk register twice each year (in October and February) and approves the risk management framework on an annual basis (including formal approval of the Group's stated appetite for risk). Board meeting agendas include reports from the Risk and Audit Committee and other Board Committees, highlighting key risks for the Board's attention.

Risk and Audit Committee – the Risk and Audit Committee is a committee of the Board, which meets four times a year. Trustees form a majority of its members, including the Chair. The Committee reviews the strategic risk register at each of its meetings, including a 'deep dive' review of a specific strategic risk each time (on a biennial cycle). It reviews the risk management framework on an annual basis (including formal consideration of the Group's stated appetite for risk) and recommends it to the Board. It receives reports from the Group's internal and external auditors, including the internal audit annual plan and report and annual reports for ULT, UCST and UCSF. It reviews specific Group policies prior to submission to the Group Board for approval, where these are not remitted to other Board committees. The Risk and Audit Committee reviews the risk registers for United Teaching and the Apprenticeship Provider on an annual basis.

Board Committees – the Board has two other committees: Finance/UCSF (to which the Trustee-chaired Estates Committee reports) and Education Standards and Performance. These committees consider specific risks that are relevant to their remit. For example, the financial risks and health and safety risks facing the organisation are considered in detail by the Finance Committee, while the performance, safeguarding and governance risks are considered in detail by the Education Standards and Performance Committee.[5] The Committees also review relevant Group policies prior to submission to the Group Board for approval.

Executive Board – the Executive Board maintains the strategic risk register and manages the strategic risks facing the organisation, together with any operational risks that are escalated to it. All strategic risks are owned by a member of the Executive Board. The Executive Board reviews the strategic risk register each time it meets, reviewing each risk in depth at least annually. It also considers risks linked to or flowing from strategic objectives as part of the annual strategic planning process. From time to time (and at least annually) the Executive Board undertakes a high-level review of the risks facing the organisation, including horizon-scanning to identify emerging threats or opportunities that may affect the risk profile. The Executive Board is responsible for ensuring that risks are considered routinely in the course of making significant decisions on strategy, major new projects and other prioritisation and resource commitments, including making this information available to Trustees. It is also responsible for ensuring that sufficient resource is available for risk management activity, including in relation to audit and compliance.

Executive Board Committees – the Executive Board has three committees: Finance; People and Development; and Schools. There is also the Estates Committee, which is chaired by the link Trustee for estates/health and safety, and reports both to the Executive Finance Committee and to the Board Finance Committee. These

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[5] Review of risks by the Board Committees (other than the Risk and Audit Committee) generally does not take the form of a review of the relevant entry on the strategic risk register. Rather, the agendas for these Committees are designed to allow for in-depth consideration of specific aspects of the strategic risks, together with an overview of relevant data and management information.

committees consider specific risks that are relevant to their remit.[6] They also review – and where authority has been delegated, approve – relevant Group policies. In addition, the Executive Board considers specific school-level risks at regular 'Projects and School Issues' meetings (held separately for primary and secondary academies, and for independent schools), which are attended by the relevant Link Trustee.

Local Governing Bodies[7] – Local Governing Bodies are responsible for overseeing risk management at a local level, including regular review of the school's risk register. LGBs also approve school-level policies, which should be in line with Group expectations and aligned to Group policies where available. A summary of the strategic risk register is shared with LGB Chairs twice a year to support their understanding of risk at Group level.

Individual roles and responsibilities

Link Trustees – the Board has identified Link Trustees for the following areas: secondary academies; primary academies; independent schools; finance; HR; safeguarding; estates and health and safety; and technology. Link Trustees maintain a particular oversight of the risks relevant to their area of focus, including through regular contact with the relevant Executive Director and/or Head of Function. Additionally, the Risk and Audit Committee Chair maintains an overview of risk through regular contact with the CFO and Company Secretary, beyond the formal cycle of meetings.

Chief Executive – The UCST and ULT Boards delegate the day-to-day management of the charities to the Chief Executive, who is responsible for achieving the goals that the Board has set and carrying out its decisions. In addition, United Learning's Chief Executive is the Accounting Officer for ULT. The accounting officer role includes specific responsibilities for financial matters. It includes a personal responsibility to Parliament, and to ESFA's accounting officer, for the trust's financial resources.

Chief Finance Officer – the CFO has lead responsibility for corporate and local governance (through the Company Secretary and Governance Lead), for United Learning's internal audit function and for certain compliance functions (Health and Safety, Data Protection).[8] The CFO is the lead Executive for the Risk and Audit Committee.

Director of Strategy and Performance – the Director of Strategy and Performance (supported by the Head of Performance) has lead responsibility for maintaining and reporting on the strategic risk register (including to Risk and Audit Committee and the Group Board) and for ensuring that both annual and long-term strategic planning are informed by a thorough consideration of the risks facing the organisation.

Headteacher/Principal[9] – each school's Headteacher/Principal is responsible for risk management at their school, including maintaining the school's local risk register. The Headteacher/Principal is also responsible for ensuring the school has identified local leads for key areas of compliance (safeguarding, data protection, health and safety) and for acting in accordance with Group policies. A summary of the strategic risk register is shared with Heads/Principals twice a year to support their understanding of risk at Group level.

Accounting Officer for United Teaching – the Accounting Officer for United Teaching oversees delivery of United Learning's initial teacher training programme and is formally accountable to the ESFA for expenditure of grant funding.

Head of Internal Audit – internal audit is responsible for providing assurance to the Group Board that the organisation's risk management and internal control framework is operating effectively. The Head of Internal Audit is responsible for proposing a risk-based annual internal audit plan to the Group Board, carrying out audit

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[6] The Executive Board Committees take a similar approach to the consideration of risk to the Group Board Committees.

[7] In some academies, the LGB may be replaced temporarily by a School Improvement Board, which has the same responsibility with respect to risk.

[8] Other compliance functions are the responsibility of other members of the Executive Team: the Primary Director is responsible for safeguarding; the Chief Operating Officer is responsible for information security.

[9] Where there is an Executive Head in place across a number of schools, this responsibility will ultimately sit with the Executive Head, although day-to-day responsibility for each of the schools will sit with the relevant school's Headteacher/Principal.

activity in line with the plan, reporting the outcomes of audits to the Risk and Audit Committee and monitoring the completion of agreed audit actions.

Compliance Leads – United Learning has appointed specialist leads to manage specific areas of compliance on behalf of the Group, covering safeguarding, health and safety, data protection and information security. In addition, an independent schools compliance lead supports schools with matters specific to the independent sector. These leads are responsible for supporting schools to act in line with Group policy and expectations (including through providing guidance and delivering training), for highlighting risks associated with specific schools' practice and for identifying – and addressing – Group-wide trends and themes.

Programme/Project Leads – all central office Programme/Project Leads are responsible for ensuring that the risks that relate to, or flow from, their programme or project are identified, assessed, monitored and reviewed in line with the process described below.[10] They are also – in discussion with the Project Director and Executive Sponsor – responsible for ensuring that risks are escalated where local management is ineffective or where the risk is considered likely to threaten delivery of the project, programme or strategic objective (including escalation, if necessary, to the Executive Board for inclusion on the strategic risk register).

School Leads – all school-based staff with lead responsibility for an area are responsible for ensuring that the risks that relate to, or flow from, their area of responsibility are identified, assessed, monitored and reviewed in line with the process described below, including escalation – to the School Leadership Team in the first instance – where local management is ineffective or where the risk is considered likely to threaten delivery of objectives/outcomes.

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[10] United Learning does not require central office departments to hold a departmental risk register, although all Directors should assure themselves that appropriate risk management arrangements are in place across the projects and programmes for which they are responsible. This is reviewed annually by the Head of Performance.

Risk management in practice: the risk management cycle

Risk management in United Learning operates on the basis of a four-stage cycle:
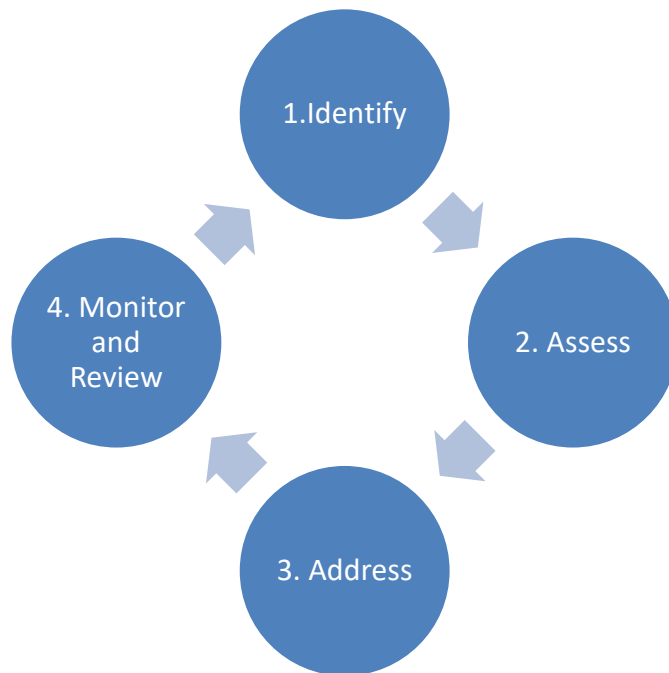
Further details of each stage of the cycle are provided below.

1. Identify

Risk management is part of all that we do and is the responsibility of everyone in United Learning. The identification of risk is a continuous process, but should always be considered at the start of a new project and as part of the annual planning cycle. It should start from a clear understanding of intended outcomes and objectives and take account of:

- the wider context, for example, factors within and beyond United Learning that may affect our ability to achieve our objectives;
- specific constraints and interdependencies;
- whether a particular activity could have unintended consequences (both positive and negative) for activity elsewhere; and
- United Learning's agreed risk appetite.

Where possible, risk identification should be a collaborative activity, drawing on different perspectives and evidence from different sources. There are a number of different ways of doing this, including (but not limited to):

- Escalation from team members
- Audit and inspection
- Incident investigations
- Risk workshops
- Stakeholder surveys
- Scenario analysis
- Horizon scanning
- Industry benchmarking

Most of the risks we face as an organisation will fall into one of the following categories:

- Operational (for example: school performance, people)
- Financial (for example: financial health, fraud)

- Compliance (for example: safeguarding, health and safety, data protection, information security)
- Governance

Most of the risks we face could (if they materialised) have a <u>reputational</u> impact (either on a school/schools or on the Group as a whole). Mitigating the specific risks will therefore contribute to managing reputational risk, without necessarily needing to identify this as a separate category of risk.

From time to time we may also face specific <u>legal</u> risks that are not covered by risks identified under the above headings.

The most significant risks – those that represent a potentially serious and significant threat or opportunity to our strategy or operations (at whatever level) – should be captured on a risk register. Not all risks will need to be captured in this way; we deal with risk all the time, and risk management should be proportionate.

All risks should have a clearly identified owner, who is responsible for ensuring the risk is managed appropriately (including escalation as necessary).

2. Assess

This stage involves an assessment of each identified risk against agreed criteria, using a standard rating mechanism, to determine its significance. This helps to support prioritisation and to understand which risks are most likely to affect our ability to achieve our objectives.

Risks are assessed on two dimensions:

- **Probability** – the likelihood of a particular opportunity or threat actually occurring
- **Impact** – the estimated effect on objectives or outcomes of a particular opportunity or threat actually occurring

Probability and impact should always be assessed on the same basis (i.e. if the impact is assessed on a 'worst case scenario' basis, the assessment of probability should assess the likelihood of that scenario occurring). Both are assessed as either 'high', 'medium' or 'low', against the following definitions:

	Probability	Impact
High	It is probable that the event will occur	Major impact, for example: • Loss of life • Total loss of confidence • Complete system failure • Objectives could not be achieved • Requires very high level of resource (people and/or money) to rectify
Medium	It is likely that the event will occur	Moderate impact, for example: • Major injury • Impact on confidence that affects our ability to achieve objectives • Systems significantly affected • Significant disruption to programme of work • Requires considerable resource (people and/or money) to rectify
Low	It is unlikely that the event will occur	Minor impact, for example: • Minor injury • Some effect on confidence, but temporary and can be contained • Systems affected but still operational and with only minor disruption

		• Effects noticeable (e.g. some delay, some aspects not achieved) but objectives can still substantially be delivered • Requires some resource (people and/or money) to rectify but no significant disruption/impact on other objectives

The overall assessment of risk is then RAG rated according to the matrix below:

Probability

High	🟧	🟥	🟥
Medium	🟩	🟧	🟥
Low	🟩	🟩	🟧
Impact	**Low**	**Medium**	**High**

Green: the risk is under control

Amber: the risk needs management and close monitoring

Red: the risk requires active management

The assessment of the risk should be recorded in the risk register. Generally it is helpful to record separately the 'inherent' assessment of risk (i.e. the assessment of risk before any mitigating action is taken) and the 'residual' assessment of risk (i.e. the assessment of risk remaining, having taken account of all planned mitigating action).

Within the broad assessment of risk severity, it is often helpful to identify whether the risk profile for a particular risk is generally improving or declining. For example, while the overall profile of a risk may remain 'red', we may judge that it is on an improving trajectory.

3. Address

Having identified the risks and assessed their significance, the next stage is to identify the appropriate response (or 'control measure'). This will depend on the nature of the risk, United Learning's risk appetite and the wider context in which the activity is taking place.

Responses must be proportionate to the benefit that is derived from reducing the severity of any given risk: there is always a trade-off between the time and cost of putting in place risk controls and the benefit of such activity. Effective risk controls are those that have a meaningful impact on the level of risk exposure for the lowest reasonable cost (including opportunity cost).

Responses to risk in United Learning fall into the following four categories:

Transfer	The risk is transferred to a third party, for example through an insurance policy. In some cases the risk may be partially transferred, with risk 'sharing' between United Learning and a third party.
Tolerate	The possibility that the risk event might occur is accepted. For example, because United Learning has little ability to do anything about the risk, the cost of the counter measures will outweigh the possible downside, or there is only a remote probability of the event occurring
Treat	Mitigating actions are taken which either reduce the likelihood of a risk developing or limit its impact to acceptable levels.
Terminate	Change the proposed course of action to remove the likelihood of the risk occurring or prevent it from having an impact on the business.

Some risks may require more than one response type. For example, while United Learning has insurance that reduces our direct exposure to risk, we also seek to reduce the likelihood of claims occurring through 'treating' specific risks.

We will choose to treat most risks that occur in the course of our day-to-day business: we plan and implement actions designed to reduce the probability of the risk occurring and/or the impact the risk would have if it occurred. Depending on the nature of the risk, it may not be possible to reduce probability and impact. For example, a serious safeguarding incident, by its nature, will always have a high impact. There is, however, much that we can do to reduce the likelihood of such an incident occurring (not to zero, but to very low). On the other hand, an uncertain financial climate beyond United Learning may make the probability of financial pressures inevitably high, but we can take steps to reduce the impact those pressures will have on our ability to achieve our objectives.

In all cases the aim should be to reduce the risk to a level consistent with United Learning's risk appetite. (See **Annex A** for further detail on the link between risk profile and risk appetite.)

Actions to reduce the severity of the risk (mitigating actions) should be recorded on the risk register: a template risk register is available here. They should be SMART (specific, measurable, achievable, relevant and timebound) and have a named owner.

4. Review

Risks – and the efficacy of control measures – should be reviewed regularly. The appropriate frequency of review will depend on the level at which the risks are managed and/or the context for the activity.

Core expectations of risk review in United Learning are:

- The **Group Board** reviews the strategic risk register twice a year and the risk management framework annually; risks relevant to the Board's agenda will be discussed as appropriate in Board meetings
- The **Risk and Audit Committee** reviews the strategic risk register four times a year and the risk management framework annually; specific risks are considered as part of 'deep dives' on a biennial cycle; the Committee receives and reviews internal audit reports (including monitoring the implementation of audit actions)
- The **Executive Board** reviews the strategic risk register six times a year and the risk management framework annually; specific risks are considered in depth on an annual cycle; Executive Directors receive relevant internal audit reports and the Board monitors the implementation of audit actions
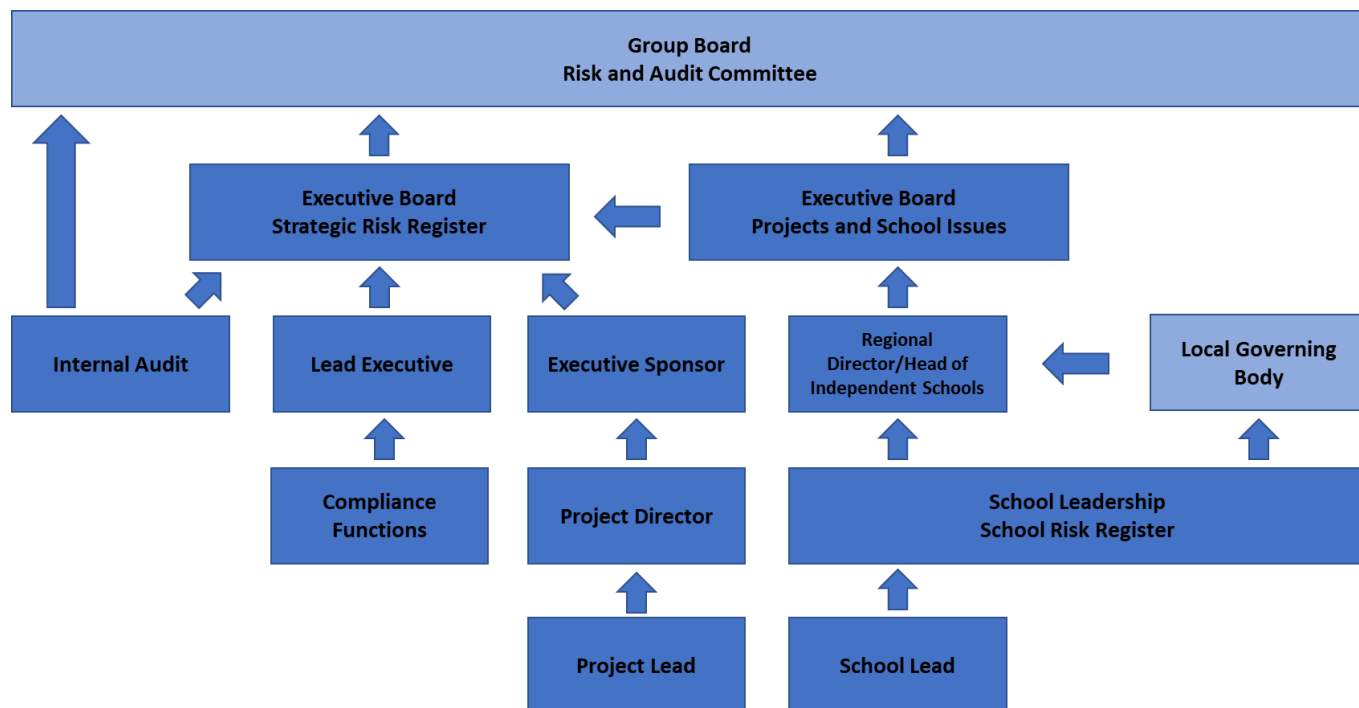- **Local Governing Bodies** review their school's risk register at least annually

Outside of these expectations, risks should be considered and reviewed when key decisions are taken and/or when there is a significant change in circumstances. Risk review and monitoring should be integrated with other monitoring and reporting mechanisms: risk management is most effective when mitigating actions are built into plans rather than dealt with separately.

Risk review may lead to changes being proposed to plans, either to reflect the potential impact of a risk or to increase the effectiveness of mitigations. Changes should be agreed at the appropriate level and reflected as necessary in planning documentation: integration of risk management with planning processes will support this to happen in a coherent way.

Escalation of risks

Where, in the judgement of the risk owner, the risk cannot be managed effectively at the current level (for example, even after mitigating actions the risk exceeds United Learning's risk appetite, or mitigating actions are not having the expected impact in bringing down the severity of the risk), it should be escalated to the next appropriate level.

The diagram below sets out the high-level escalation framework within United Learning:

Group Board
Risk and Audit Committee

Executive Board
Strategic Risk Register

Executive Board
Projects and School Issues

Internal Audit

Lead Executive

Executive Sponsor

Regional Director/Head of Independent Schools

Local Governing Body

Compliance Functions

Project Director

School Leadership
School Risk Register

Project Lead

School Lead

Risks may be escalated at any point, including outside the agreed risk review schedule. The authority to which the risk is escalated should review the risk response and agree appropriate changes to bring the risk within tolerance. This may include: agree additional mitigations; allocate additional resource to mitigate; accept changes to objectives and/or targeted outcomes; or change proposed risk response (for example, move from 'treat' to 'transfer').

Managing issues

If a risk – or an aspect of a risk – actually occurs, it becomes an 'issue'. Issues should be actively managed, through the implementation of contingency plans or otherwise. The issue management cycle is similar to the risk management cycle: identify, address (with a clear owner for the issue and associated actions, including timescales), review.

If it is considered proportionate to do so, issues will be captured on an 'issues log', to support effective monitoring. This is not required in all situations – the key is that completion of agreed actions is tracked and the impact of the issue reviewed regularly.

In relation to strategic risks, the original risk will remain on the risk register even if it has occurred and is being treated as an issue: these are abiding risks facing the organisation which will remain so when the immediate issues have been resolved.

Closing risks

Where a risk is considered to no longer represent any material threat or opportunity to the project, programme, school or organisation, it should be closed. Authority to accept the proposal to close will depend on the level at which the risk is being managed. A record of the risk, rationale for closure and decision to close should be retained.

Lessons learned

At the end of a project and in certain other circumstances, for example where a risk (or an aspect of a risk) has occurred, or where the intended objectives/outcomes were not achieved, we carry out a 'lessons learned' exercise. The aim of such an exercise – which should be proportionate in scale and scope to the activity being reviewed – is to identify what went well (and therefore might be worthy of replication elsewhere, where similar

risks are faced), the issues that arose and success (or otherwise) in resolving them, any areas where delivery fell short of expectation, and the reasons for this.

The findings of lessons learned exercises should be widely shared to support continuous improvement, with actions integrated into ongoing plans and risk management as appropriate.

Annex A – Linking risk profile to risk appetite

Judgements about whether a certain risk profile falls within or outside agreed risk tolerance are not based solely on the 'RAG' rating of the risk. We will always consider the nature of the risk – both in terms of the probability of it materialising and the impact it would have on delivery of our objectives, should it do so – and the extent to which we can change the risk profile through our actions.

In the following risk areas, we acknowledge that the impact of the risk materialising will tend towards being 'high' when assessed on a 'worst case scenario' basis (and may be unavoidably so):

- Safeguarding
- Health and safety
- Legal non-compliance
- Fraud and financial impropriety
- Continuity of learning

In these areas, a 'red' risk rating – which will not be unusual (and is inevitable if the impact is assessed as 'high') – does not indicate that the risk profile is outside our risk tolerance. Our aim will be to reduce the probability of the risk materialising as much as possible, accepting that it is neither possible – nor, in some cases desirable – to eliminate it entirely. Where risks retain a 'red' rating, we manage them pro-actively.