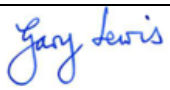
RISK MANAGEMENT POLICY
Statutory

Policy Approved by the Board of Trustees	
Signed:  Name: Adele Haysom Chair of Board of Trustees	Date: 7 July 2026
Authorised for Issue	
Signed:  Name: Gary Lewis Chief Executive	Date: 7 July 2026

Document History

Version	Author/Owner	Drafted	Comments
1.0	Clare Sanders	August 2016	Based on information sourced from EFA and NAHT Model Policies
2.0	Louise Malik	April 2018	Policy update
3.0	Louise Malik	March 2020	Planned review
4.0	Louise Malik	April 2022	Planned review
5.0	Louise Malik	April 2024	Planned review
6.0	Louise Malik, Beth Watts & Dan Spinney	June 2026	Planned review – revised risk register template

Review cycle	Biennial
Review date	Summer 2028

This policy applies to all schools and employees within the Lighthouse Schools Partnership.

This policy remains valid, and in operation, until a new or updated policy is published.

RISK MANAGEMENT POLICY

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1. Introduction

This risk management policy forms part of the Trust's internal control and governance arrangements. The policy explains the Trust's underlying approach to risk management. It details key aspects of the risk management process and identifies the main reporting procedures. It describes the process the Trust uses to evaluate the effectiveness of the Trust's internal control procedures.

2. What is "risk"?

"Risk" is: An event leading to uncertainty in the outcome of the Trust's operations.

3. Why we need to manage risk

Through effective risk management we can identify and mitigate issues that could prevent us from achieving our educational and organisational aims. Daily we manage risk without describing this as "risk management". We consider what might go wrong and take steps to reduce the impact if things do go wrong. However, the Trust cannot rely on informal processes. Also, as a public body, we must provide assurance to the Education and Skills Funding Agency, the Charity Commission, Ofsted and Auditors that we are managing risk correctly. We need to formally identify organisational risks and put in place mitigating actions.

4. Who should think about risk?

Senior Leadership Teams (SLT) in the Central Team and in individual schools (Headteacher, Deputy/Assistant Headteacher and School Business Manager) and staff in the Central Team delivering risk management services to schools. All of these postholders have a responsibility to formally consider both existing risks and any new risks.

These postholders also have a responsibility to embed risk management in the culture of the organisation and help all staff to understand risk management and how it impacts on the work they do.

The Members, LSP Trust Board, Local Governing Bodies and other sub committees also have a role. The Trust's Audit & Risk Committee has a responsibility to advise the Trust Board and to oversee this area of the Trust's operations. Because of this, the risk register will be taken to relevant groups as appropriate.

5. When to consider risk

Risk needs to be considered whenever decisions are made. In particular, as the organisation's aims develop during the planning round, the CEO, CFOO, School SLT members, LSP Trust Members, Trustees and Governors need to consider afresh existing risks; looking at what we want to do over the next few years and identifying risks which may arise. Timing is important if mitigating actions are to be included in business plans.

6. Risk appetite

"Risk appetite" is an expression of how much risk an organisation is prepared to take. It can vary over time and from work area to work area. If the Trust's risk appetite is clearly articulated, staff can take this into account when making their decisions.

The Trust has developed a risk appetite statement, and this has been included as Appendix A to this policy.

7. Approach to risk management

The following key principles outline the Trust's approach to risk management:

- As the principal executive and policy-making body of the Trust, the Trust Board is responsible for risk management.
- The Trust is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives.
- There is an open and receptive approach to mitigating risk.
- The Audit & Risk Committee advises the Trust Board on risk management.
- The Trust takes a conservative and prudent approach to the recognition and disclosure of the financial and non-financial implications of risks.
- The Headteachers and Local Governing Bodies are responsible for encouraging and implementing good risk management practice within the Trust and its schools.
- Headteachers and SLT of each school within the Trust and in the Central Team are responsible for encouraging and implementing good risk management practice within their areas of responsibility.
- Early warning mechanisms are in place and monitored to alert the Trust so that remedial action can be taken to manage any potential hazards
- The CFOO has a moderation role and will review key risks at each school with the Headteacher, where necessary, and reports outcomes of these discussions to the Board.

The Charity Commission says that:

- the process of risk identification should be undertaken with care,
- the analysis will contain some subjective judgements; and
- no process is capable of identifying all possible risks that may arise, the process can only provide reasonable assurance to Trustees that all *relevant* risks have been identified

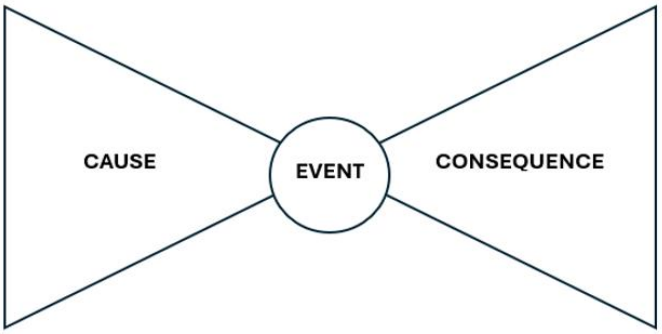
Identified risks need to be put into perspective in terms of (1) the potential severity of their impact and (2) likelihood of their occurrence. Assessing and categorising risks helps in prioritising and filtering them, and in establishing whether any further action is required.

This approach attempts to map risk as a product of the likelihood of an undesirable outcome and the impact that an undesirable outcome will have on the Trust's ability to achieve its objectives. It enables the Trustees to identify those risks that fall into the major risk category.

8. The LSP Risk Register

The LSP Risk Register steers risk owners into considering risk appetite when updating a risk entry. Risk owners need to consider the risk status before and after mitigating actions, and provide a post mitigation risk score for each risk. A template risk register is provided as Appendix B and can also be found in the Business Continuity Team folder. The template includes a number of generic risks that schools should consider. Schools can also include additional risks specific to their individual school if not already covered by the generic risks.

Each risk should be listed using the "bowtie" model:



- **Cause(s):** that which gives rise to any action, phenomenon or condition (take care not to confuse with the Event).
- **Event:** An occurrence or change of a particular set of circumstances that can have several causes. The Event is singular, and cannot be directly mitigated – only causes and consequences can be mitigated.
- **Consequence(s):** The outcome of an event affecting objectives.

This "bowtie" model provides a consistent and standardised logical approach to the characterisation of risks, and allows the identification of whether mitigations are targeted at the Cause(s) or Consequence(s):

- **Mitigation of the Causes:** What are you planning to prevent the **Event** from happening?
- **Mitigation of the Consequences:** What are you planning as a response if the **Event** happens?

The owners of any mitigations should be recorded alongside them.

Once identified, each risk is looked at and a decision taken as to how likely it is to occur and how severe its impact would be if it did occur. The impact has been pre-populated for the generic risks.

This policy has drawn the descriptors for 'impact' and 'likelihood' from the Charity Commission (CC26) publication as follows:

Descriptor	Criteria
Remote	May only occur in exceptional circumstances
Unlikely	Expected to occur in a few circumstances
Possible	Expected to occur in some circumstances
Probable	Expected to occur in many circumstances
Highly Probable	Expected to occur frequently and in most circumstances

Descriptor	Impact on service and reputation
Insignificant	No impact on service, no impact on reputation, complaint unlikely, litigation risk remote
Minor	Slight impact on service, slight impact on reputation, complaint possible, litigation possible
Moderate	Some service disruption, potential for adverse publicity - avoidable with careful handling, complaint probable, litigation probable
Major	Service disrupted, adverse publicity not avoidable (local media), complaint probable, litigation probable
Extreme / Catastrophic	Service interrupted for significant time, major adverse publicity not avoidable (national media), major litigation expected, resignation of senior management and board, loss of beneficiary confidence

It should be remembered that risk scoring often involves a degree of judgement or subjectivity. To achieve consistency, it is recommended that scoring is completed by more than one person, and that wherever possible these personnel remain the same. Where data or information on past events or patterns is available, it should be used to enable a more evidence-based judgement. A traffic light and numerical indicator is used to show the overall risk status as detailed in the table below:

		Impact				
		Insignificant	Minor	Moderate	Major	Extreme / Catastrophic
Likelihood	Highly Probable	6	13	16	22	25
	Probable	5	9	15	21	24
	Possible	3	8	14	18	23
	Unlikely	2	7	11	17	20
	Remote	1	4	10	12	19

Any additional notes can be added in the Comments column on the risk register, and these

should include the date and initials of the commentator.

The Risk Register should be considered as a working document. It should be updated regularly and as and when a risk emerges or changes. The risk register should never be considered as a "completed" document.

Only risks with a low rating (1-6) should be considered as closed or fully managed. Closed or fully managed risks should not be deleted so that they can be re-opened if the risk re-emerges. The risk register can be sorted in order of risk level to help identify the most significant risks, with highest risks featuring at the top of the risk register and lower, fully managed or closed risks at the bottom.

9. Options for dealing with risk

There are various ways of dealing with risks. These options should be considered for all items on the risk register:

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 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. This option should only be considered for risks with a green risk status.
Treat:	By far the greatest 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.
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 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.

10. Roles and responsibilities

Individual schools will maintain their own risk registers with a Trust wide register also maintained. Federated schools may wish to have a single risk register that applies to both schools, with each risk annotated to denote if it relates to both schools or just one. The Trust's Chief Executive Officer (CEO), Chief Financial and Operating Officer (CFOO), School Senior Leadership Teams (HT, DHT & SBM) and staff in the Central Team delivering risk management services to schools should

- Identify organisation risks, reporting to appropriate Governors/Trustee committees.
- Perform a detailed review of organisation risks and mitigating actions.
- Consider risk when making decisions.
- Consider risk appetite when making decisions.
- Remain alert to other risks that might develop in year.

Local Governing Body Committees:

- Consider new risks raised at the meeting by SLT members either through agenda items or resulting discussions – requesting additions to be made to risk register (at every meeting)
- Review risks in the risk register, the completion of mitigating actions and the scoring of the risk , escalating any concerns as appropriate (at least three times per year)
- Record the outcome of the review as appropriate for each risk and amend the table on tab 1of the risk register to reflect the dates the risk register was amended and/or reviewed (at least three times per year)
- Report to LGB through committee report, if applicable, on outstanding/new risks (at least three times per year)
- Ensure that the most current version of the risk register is available in Microsoft Teams for consideration by the Audit and Risk Committee three times per year, as per the Annual Planner.

Board of Trustees:

To manage the risk management process ensuring that they:

- Receive reports from the Audit and Risk committee
- Review risks identified as red in the net risk score three times per year and all other risk areas at least annually