

# Leeds Diocesan Learning Trust (LDLT)

Company Number 13687278

## Risk Management Policy

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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 the process by which the Trust identifies, evaluates and manages events or circumstances that may prevent it from meeting its strategic and operational objectives. Effective risk management ensures that all students are able to maximise their performance and that Trust resources, people and assets are safeguarded.

## 2. Risk Management Objectives

The Trust aims to:

- Comply with recognised risk management best practice.
- Ensure all reasonable risks are identified, documented and monitored.
- Provide assurance to Directors and Local Academy Councils (LACs) that known risks are being effectively controlled.
- Ensure appropriate action is taken in relation to accepting, mitigating, avoiding or transferring risks.

## 3. Risk Management Strategy

This strategy ensures that:

- Roles and responsibilities are clearly understood.
- Processes are in place to identify, assess, monitor and manage risks.
- Risk management is embedded across all levels of the Trust.
- A consistent methodology is used, including likelihood/impact scoring and RAG-rating.

## 4. Roles and Responsibilities

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

- Monitoring risk management performance.
- Ensuring effective control measures are in place.
- Reporting to the Audit & Risk Committee and Full Board.

The responsibility of Headteachers include:

- Recording, updating and monitoring school-level risks using the Headteacher's Report software. This software automatically consolidates school risks into a Trust-wide view for the CEO/CFO and Audit & Risk Committee. Headteacher's report software is a tool that uses AI and integrates with school data systems (MIS) to automatically generate professional, easy-to-understand reports for governors, directors, and other stakeholders, saving school leaders significant time by presenting key performance data in clear charts and summaries.

Risk is also managed within individual committees and LACs, who oversee risks relevant to their remit.

A full Trust risk assessment review occurs annually, with additional reviews as required.

## 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.

All school-level risks must now be identified and entered into the Headteacher's Report software.

This ensures:

- Standardised risk capture across all schools
- Real-time updates
- Automatic escalation to Trust leadership when thresholds are met
- A consolidated, Trust-wide view of risk exposure
- This replaces previous manual or spreadsheet-based local risk reporting.

## 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:

Impact	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	<b>Very Unlikely</b>	<b>Unlikely</b>	<b>Possible</b>	<b>Likely</b>	<b>Very Likely</b>
Frequency ( <i>How often might it happen</i> )	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 milestones 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 outcomes.	Significant issues threaten the entire project. Could lead to the 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.

<b>Reputation</b>	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.
<b>Education Interruption</b>	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 is difficult or even impossible.
<b>Staff</b>	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.

<b>Legal and Compliance</b>	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.
<b>Health &amp; Safety</b>	No ill effects.	Short-lived / minor injury or illness that may require First Aid or medication. Small number of work days lost.	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.
<b>Digital Security</b>	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
<b>Environmental</b>	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.

<b>Infrastructure</b>	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.
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## 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

- Headteachers must record all new, emerging or changing school-level risks directly within the software.
- The system consolidates all school risks and provides a live dashboard for the CEO, CFO and Senior Management Team.
- Material changes in likelihood, impact, or control effectiveness will automatically flag for Trust-level review.
- The CEO/CFO review consolidated risks regularly and escalate concerns to Directors, Audit & Risk Committee and LACs as appropriate.

### Reporting Pathways:

- School to Trust: Headteacher → Headteacher's Report software → CEO/CFO



- Trust to Governance: CEO/CFO → Audit & Risk Committee → Full Board
- Local Oversight: LACs access school-specific dashboards to discharge local responsibilities.

This ensures a more robust, timely and consistent view of risks across all schools.

## 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.

The central Risk Register is now populated and informed by consolidated data from the Headteacher's Report software.

Significant changes in school risks are automatically highlighted for consideration against Trust-wide risks.

School-level risks that have Trust-wide implications will be migrated or cross-referenced into the central register.

## 11. 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 Executive Team will review significant risks and controls.

The Risk Management Policy will undergo annual review in the Autumn Term, ensuring alignment between:

- Strategic aims
- Governance requirements
- The Headteacher's Report software
- Evolving best practice