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# **HEMSWELL PARISH COUNCIL**

## **BUSINESS & RISK MANAGEMENT POLICY**

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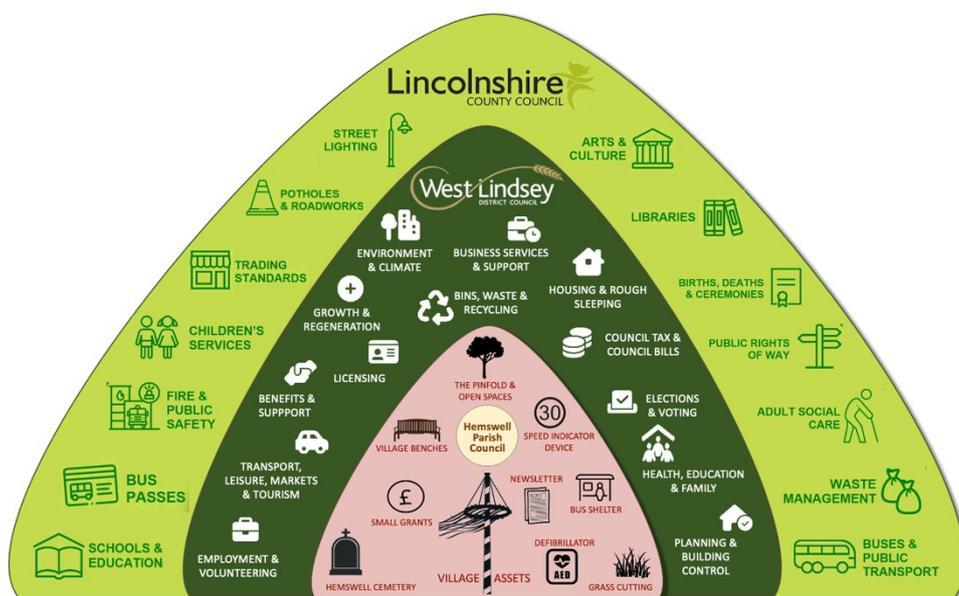
1. Introduction

Hemswell Parish Council (PC) is the first tier of local government and has an important role in representing the views and interests of the residents, employers and others in its parish, supporting their needs, and protecting and enhancing the heritage and character of Hemswell Village.

The Chair of the PC is elected annually at the Annual Meeting of the Parish Council each May. Hemswell Parish Elections were last held in May 2023 and are due again in May 2027. Hemswell PC has seven councillor seats. Councillors are unpaid and commit their time to enhancing and maintaining the parish and village of Hemswell as an attractive and sustainable place to live, visit, and do business.

The PC maintains a website (<https://hemswell.parish.lincolnshire.gov.uk/>) and an active Facebook page <https://www.facebook.com/hemswellparishcouncil> to share information and news.

The relationship between Hemswell PC and the District and County Council is illustrated in the Figure below.



**Hemswell Parish Council seeks to manage and maintain the assets of Hemswell Village and to provide services for parish residents within the resources provided by the annual precept and other income, taking into account the residents' wishes while obtaining value for money through sound financial planning and practices and management of risk.**

This Business and Risk Management policy is one element of Hemswell PC governance strategy which sets out its vision and objectives to ensure it meets its legal obligations to identify and manage risk in order to demonstrate effective stewardship of public funds.

**1. Hemswell Parish Council Vision and Objectives** The PC aims to improve the quality of life for the residents of Hemswell Parish by ensuring that the village and surrounding areas within the Parish are a desirable, thriving and sustainable place in which to live and work. It seeks to achieve this by:

- Providing a democratic and representational voice for the community.
- Providing services that are managed to a good standard, efficiently, effectively, and responsively, at an affordable cost.
- Listening to and working with its residents, local authorities, and other service providers, businesses, and community organisations, with the aim of strengthening partnerships, promoting communication, and achieving a safe, healthy, and sustainable community.

## **2. Key Objectives**

### **2.1 To Manage the Parish Council's Resources Wisely**

- Demonstrating sound financial control through legal procedures and quality auditing to ensure that resources are spent wisely on the community's needs.
- Focussing resources on what matters to the community.
- Attaining maximum benefit from management of the PC's assets.
- Ensuring the PC meets its statutory and legal duties at the least cost while maintaining quality.

### **2.2 To Promote and Support a Sustainable Community and Environment.**

- Acknowledging the diversity of character and heritage within Hemswell Parish and seeking to maintain this through active engagement in the ongoing reviews of the Neighbourhood Plan.
- Promoting safety and inclusion, opportunities and good services for all.
- Working with the business community to sustain economic vibrancy.
- Encouraging ways for the community to improve the environment, build resilience for the future, and mitigate against Climate Change.

### **2.3 To Promote Communication at All Levels**

- Publicising the work of the PC through its website, newsletters, notice boards, social media, local events and meetings. Information may also be obtained from the clerk.
- Allowing the public to ask questions at all of its public meetings.
- Encouraging public feedback, whether positive or negative and inviting ideas for development, during public participation at PC meetings.
- Seeking community views through questionnaires, canvassing opinions by staff and councillors, and by any method which is relevant to the subject being considered.

### **2.4 To Strengthen Partnerships**

- Working proactively to strengthen and improve working relationships with our statutory bodies, organisations, local business and voluntary groups.
- Networking and encouraging partners to approach the PC with clear, articulate and constructive ideas that will benefit all sections of the community and on which there can be joint working.

## **3. Responsibilities**

Successful business and risk management requires Hemswell PC to have an appropriate level of control in place without restricting or stifling its aims and objectives. The PC's attitude is to proactively manage risk, and it has structures and processes in place to ensure risks and opportunities are identified, assessed, and managed to best meet the community's needs and prepare for future challenges should they arise.

This document describes the principles of risk management and the responsibilities of Hemswell PC, individual councillors, and the clerk. It acknowledges that methods to manage risk must be reasonable and proportional given the small size and nature of operations undertaken by Hemswell PC.

*Note: This policy does not describe individual risk assessments for specific PC-led activities or events that could impact staff, contractors, residents, or the environment, e.g., village litter picking or memorial safety testing. Such assessments are undertaken and recorded by the clerk as and when required by The Health and Safety at Work etc Act 1974 and the Management of Health and Safety at Work Regulations 1999.*

Hemswell PC will meet its business and risk management objectives by maintaining a robust and consistent approach to ensure accountabilities, roles and responsibilities for managing risks are clearly defined, communicated and understood.

**Hemswell Parish Council** has a responsibility to:

- Integrate risk management into the culture of the PC and individual members,
- Minimise loss, disruption, injury and damages to the PC and its operation,
- Inform policy and operational decisions by identifying risks and their likely impact,
- Support a culture of well-measured risk-taking and responding to risk in a positive and balanced way,
- Meet all statutory and best practice requirements in relation to risk management, including internal controls and external insurance cover where required,
- Communicate risk information effectively through a clear reporting framework,
- Annually review the Risk Register to integrate changes in legislation, government initiatives, shared best practices and experience gained within the Parish Council.

**Hemswell Parish Councillors** have a responsibility to:

- Adhere to the adopted Code of Conduct and expected standards of behaviour when representing the PC,
- Adhere to the statutory requirements regarding disclosable pecuniary interests,
- Seek training or support in matters relating to risk management where a need is identified,
- Consider risk management as part of their role and in all council decision-making processes.

**The clerk** has a responsibility to:

- Identify, assess and record details of risks arising from the operation, function and duties of the PC,
- Implement policies on risk management and internal control,
- Provide adequate information promptly to the PC on the status of risks and their control measures,
- To arrange for an internal auditor to review, at least annually, the effectiveness of the PC's control measures and report back to council with findings and recommendations.
- To identify appropriate insurance provisions for PC activities for review by the full PC.

### **Risk Management Key Principles and Definitions**

In this context, risk is described as uncertain events or conditions that, should they occur, would threaten, damage or impact the assets, operation or reputation of Hemswell PC, including its ability to achieve its objectives, implement its strategies and provide services. Risk categories may include:

- Financial, e.g., loss of money,
- Security - e.g., fraud, theft, embezzlement,
- Information Technology - e.g., IT systems failure or misuse, data loss,
- Reputational - e.g., actions by the council, councillors or staff that could harm the PC's reputation or the reputation of its members and staff,
- Property - e.g., damage to property,
- Legal - e.g., negligence, failure to comply with statutory duties, defamation, data breach, etc., leading to a risk of legal challenges.

**Risk Appetite** refers to how much risk Hemswell PC is prepared to take to obtain its strategic objectives, for example, deciding to avoid risk completely or taking 'calculated risks' to seize opportunities and achieve success. The appetite for risk is determined by the 'capacity' of the council to manage risk and its 'attitude' to risk. Hemswell PC takes a **cautious** attitude to risk, meaning it prefers safe options to achieve its aims and objectives.

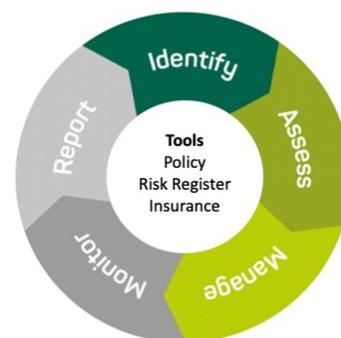
**Risk management** is the systematic application of principles and processes to identify, evaluate, control and review risks.

The Smaller Authorities' Proper Practices Panel (SAPPP) 2025<sup>1</sup>, formally the Joint Panel on Accountability and Governance (JPAG), has issued its 2025 edition of the Practitioners' Guide sets out the 'proper practices' and assertions that Hemswell PC complies with:

**Assertion 5** of the SAPPP Guide deals with risk management and internal controls as follows:

1.31 Identifying and assessing risks — The authority needs to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.

1.32 Addressing risks — Having identified, assessed and recorded the risks, the authority needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.



#### 4. The Role of Insurance in Risk Management

Insurance is a significant control measure in managing and reducing risks relating to property, cash and legal liability (amongst other things). In identifying risks facing Hemswell PC, the SAPPP Guidance (Example Risk Management Template) recommends the following groupings for risk management methods/strategies.

- i. Areas where there may be scope to use insurance to help manage risk.
- ii. Areas where there may be scope to work with others to help manage risk.
- iii. Areas where there may be a need for self-managed risk.

These areas are identified on the Hemswell PC Risk Register.

**5. Hemswell Parish Council Risk Register** Hemswell PC is defined as a Smaller Authority<sup>2</sup> and, therefore, is required to identify financial and operational risks with a record of appropriate controls/mitigation measures. This record should be formally reported and considered by the full PC annually [see footnote 1].

#### 5.1 Risk Ratings

While not required to adopt a formal 'risk matrix' to classify risk, it is appropriate for Hemswell PC to maintain a risk register using the simple risk rating of 'High', 'Medium', and 'Low'. The Risk Register for Hemswell PC determines risk rating with existing controls in place. This allows the PC to prioritise and manage any remaining significant risks by identifying and taking appropriate actions and measures within the means available to it.

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<sup>1</sup> Smaller Authorities Proper Practices Panel (SAPPP) Practitioners Guide, <https://www.nalc.gov.uk/resource/practitioners-guide-2025.html>

<sup>2</sup> Smaller Authority as defined by the Local Audit (Smaller Authorities) Regulations 2015 <https://www.legislation.gov.uk/ukdsi/2015/9780111126103>

### **5.2 Risk Response and Further Actions**

Not all risks can be managed at all times, so after assessing and prioritising the identified risks, cost-effective actions need to be taken to manage them. Risk can be managed in several ways:

- Avoid the risk,
- Tolerate the risk,
- Transfer the risk through insurance or to a third party,
- Treat the risk by taking additional actions to reduce the risk rating.
- Terminate the risk or withdraw from activities associated with the risk.

Hemswell PC has a **cautious** attitude to risk, meaning it prefers safe options to achieve its aims and objectives, and therefore any risk identified as 'medium' or 'high' must be a priority for immediate action to avoid, transfer, treat or terminate the risk.

Risk management is an ongoing process, and Hemswell PC will conduct a regular review of its risk register and management processes to reduce the chance of risk damaging or impacting council activities. All councillors are expected to actively participate and contribute to risk management reviews.

The risk register for Hemswell PC is maintained as a separate document and published on the PC website.

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### **Supporting Documents**

Risk Register available PC website