Parish Council Risk Assessment and Management Report

Annual Review May 2026

1 Legal Implications

Each Parish and Town Council should have in place a system to help it to manage risk. This system will be simple for the smallest parishes and more complex for larger parish and town councils. A council's internal auditor may use this risk management system to help to identify what tests to carry out as part of the audit.

2 Cost Implications

The financial costs associated with the identified measures for the management of risk is contained within the Parish Council budget for 2026/2027.

3 Resource Implications

The costs associated with the management of risk in terms of the human resource required for assessment and management are contained within the Parish Council work programme.

4 Background

Good practice requires the Parish Clerk to assess and manage risk and the Authority to consider ways to improve and document existing practices. The Parish Council has previously recognised the importance of risk management and has adopted procedures for risk assessment and management. The failure to manage risks effectively can be expensive in financial terms and, also in terms of service delivery and reputation.

Members are ultimately responsible for risk management because risks threaten a council's ability to achieve its objectives. The Clerk should therefore ensure that members:

- Identify the key risks facing the council
- Evaluate the potential to the council of one of these risks taking place; and
- Agree measures to; avoid, reduce, or control the risk or its consequence.

Every council is different and there is no such thing as a standard list of risks. There are however common themes that are likely to emerge. These might include:

- Physical assets – buildings, equipment, IT hardware etc.
- Finance – banking, loss of income etc.
- Injury to the public – in playgrounds, community buildings etc
- Complying with legal requirements – agendas and minutes, records, etc
- Councillor propriety – declarations of interest, gifts, and hospitality etc

The Clerk needs to consider each of the possible risks under each of the identified schemes. For example, physicals assets could be lost as a result of fire or flood, damage by vandals, theft, or deterioration through lack of maintenance. All these risks can be minimised or transferred by various means such as taking out insurance, securing alarms or by regular inspection and maintenance. In addition to identifying risk, it is a good idea to make a judgement about likelihood of the risk occurring and its potential impact. Classification need be no more complicated than high, medium, or low. Members have received training and will be aware that specific training to address areas of concern will be arranged.

There are three main ways of managing risk:

- Take out insurance
- Work with another party to reduce the risk; or
- Manage the risk yourself.

During 2024/25 the Parish Clerk/Responsible Finance Officer conducted a review of insurance and risk, discussing specific area with a representative of Gallagher Insurance. Insurance is reviewed on a 3-year cycle. Staff have received Health and Safety training through the Institution of Occupational Safety and Health, receive webinar updates through Worknest. and members review the authorities risk statement each year.

5 Action Required

1 Members are asked to consider those items contained in Annexe 1 and to agree any required control actions.

2 Instruct the Parish Clerk to take any/all actions identified by members.

Angela Brindley
Parish Clerk/Responsible Finance Officer
01 May 2026

Agenda Item (continued) Annexe 1

CHOPPINGTON PARISH COUNCIL

RISK ASSESSMENT AND MANAGEMENT 2026/2027

Area	**Risk**	**Level**	**Control** ***(and agreed improvements)***
Assets	Protection of physical assets	L	The Parish Council owns physical assets such as bus shelters, notice boards, planters, play equipment, portable staging, grass cutters, public seating, waste bins, War memorials, gardening equipment, security equipment, equipment for snow clearance, equipment required for the maintenance of sports surfaces, computers and related equipment, a modular building, mobile sports court and specialist container and office equipment. Insurance exists in relation to 3rd party liability. Each asset together with their purchase price is contained in the Parish Council Asset Register. The asset register contains the value of the purchase price of assets, this is £745K, however the combined replacement cost of these far exceeds this excess of this. The Parish Council has previously resolved to make financial provision for the replacement of these assets on a cyclical basis of between 5 and 25 years, depending on the economic life of each asset. The Parish Council considers that this earmarked fund gives the most cost-effective solution for cyclical and other required replacements. The necessary financial contribution to this fund is calculated on an annual basis each January and the required provision is identified in the Parish Council budget. Although formal transfer of Allotments from NCC has not yet taken place. Management of the Allotment site at Bomarsund has been

			undertaken by the Parish Council and the site is regularly inspected. The Parish Council has responsibility for 6 ply areas. The replacement cost of equipment located in these play areas is in the region of £336,000.00. The Parish Council has previously agreed to make provision for the replacement of all play equipment on a cyclical basis (15 to 20 years). It is considered that this fund is adequate for replacement of equipment through damage/vandalism. The liability for play areas and any land when transferred to the Parish Council will be automatically covered under the existing Public Liability insurance. Cleaswell Park has undergone substantial refurbishment the playarea and playzone are completed and gym equipment will be installed during 2026/27. It is anticipated that substantial responsibility for Cleaswell Park will be transferred from the principal authority to the parish council As agreed, on transfer, the Parish Council will insure Cleaswell Park and playzone against damage increasing premiums by around £3750.
	Security of buildings, equipment etc	L	The Parish Council owns one building, which is subject to a long term (peppercorn) community lease, with the tenant being responsible for building insurance, security, maintenance, and repair. The Parish Council offices are located within premises owned by a local charity. Office equipment is contained within a secure environment. It is anticipated that the Parish Council may own or have purview of additional community buildings in the future. A separate consideration of risk will be undertaken for each building. The Parish Council owns a modular sports facility

			(MSF) that can be transported from area to area in a secure trailer. When not in use the MSF and trailer are stored in a secure area. This facility is insured for loss, and replacement of this facility is provided for through earmarked funds.
	Cyber security	H	Theft, loss, or unauthorised access to parish council data (including councillor, staff, resident, employee, or financial information) through cyber attack, phishing, stolen devices, weak passwords, or accidental disclosure. This may lead to GDPR breach, ICO investigation, financial penalties, reputational damage, fraud, disruption to council operations, loss of public trust. Councillors and staff are provided with computers for council use only which come with security software updated regularly. Council staff and councillors are provided with official gov.uk email address. Regular back up of information is undertaken and stored externally. Financial back up is made monthly and stored externally. Office information is stored on the cloud rather than on each computer.
	Maintenance of buildings, equipment etc	L	A full maintenance contract exists in respect of photocopying equipment (2 machines), with IT equipment being self-managed. Both machines are replaced on a 5-year cycle. Financial provision has been made for their future replacement through earmarked funds.
Finance	Banking	M	It is anticipated that not more than £870,000 will be held in accounts at any one time during 2026/2027. The budget set by the authority for 2026/2027 does not anticipate excessive interest/charges on our principal account. Funds held will reduce during the financial year as earmarked expenditure for the development of projects is made. Fidelity insurance will be regularly reviewed,

			and initially set at £850,000. Members will review the level of fidelity insurance required on an annual basis and to direct adjustments to ensure value for money. Currently all funds are held in 2 accounts, main account Unity Trust and risk spreading through utilisation of a public sector deposit fund. Parish Council funds are excluded from the Financial Services Compensation Scheme and deposits through the public sector deposit fund is made to mitigate risk. These investments will be made in accordance with the Parish Council's Investment Strategy in April 2022 CO75/21 and reviewed annually at the Parish Council meeting 13 May 2026 .
	Risk of consequential loss of income	L	Projects are funded, in part through investment from partner organisations, with grants sought to reduce any precept requirement. All activity beyond this is funded through precept income. The Parish Council does not utilise grants to support revenue/core budget requirement.
	Loss of cash through theft or dishonesty	H	Only small amounts of cash are handled. However, in the age of electronic banking it is considered that a Fidelity Guarantee of £870,000.00 is required (see recommendation contained in Financial Banking above).
	Financial controls and records	M	Financial Regulations are reviewed annually. Monthly bank reconciliation and quarterly budgetary control reports prepared by Clerk/RFO are reported to the Council. Two signatures from four signatories on cheques. Members perform scrutiny/probity checks by rota each month. Parish Council accounts are subject to scrutiny by internal and external audit. All financial procedures and processes are reviewed annually. The

			Parish Council has adopted an Investment Policy.
	Comply with Customs and Excise Regulations	M	VAT payments are reviewed regularly, and claims made by the Parish Clerk/Responsible Finance Officer. VAT claims are reported to members and scrutinised through audit. The Parish Clerk and officers undertake VAT training to maintain knowledge and realisation of financial benefit. The Parish Council has access to the services of an external VAT adviser through NALC to support the council when required.
	Sound budgeting to underpin annual precept	M	Reports to Council contain examination of Financial and Resource implications. Council receives quarterly budget reports and considers detailed budgets as part of its annual consideration December/January, with required precept being calculated in January.
	Complying with borrowing restrictions	L	No borrowing has been made by the Parish Council to date.
Liability	Risk to third party, property, or individuals	M	Public Liability insurance in place. Existing cover of up to £10m. A health and safety report is received quarterly by members, identifying problems arising from the weekly play area inspections by NCC, and monthly reports for play area, bus shelter and community building inspections made internally.
	Legal liability as consequence of asset ownership	M	Assets owned are contained in the Asset Register and include street furniture. The mobile court is owned by the Parish Council and will be operated on our behalf by a third

			party with all necessary liability insurance. No land is owned by the Parish Council.
	Libel and Slander	M	Members and clerk - standard cover up to £250,000 (This cover extends all staff).
	Officials Indemnity	M	Cover for members and clerk for any negligent act, accidental error or omission committed - standard cover up to £500,000 (This cover extends to other members of staff).

Employer Liability	Compliance with Employment Law	M	Advice sought from National Association of Local Councils, National Association of Councillors, and the Society of Local Council Clerks when required. Existing insurance cover up to £10m in respect of most aspects. Potential cover in respect of Tribunals is limited to £50k. The Parish Council is classed as a Larger Local Council and has made budget provision to obtain, when required, legal advice to support the authority in respect of legislative changes, increased responsibility/liability and to protect the authority from any legal actions mounted against the authority. Provision has also been made to support the development of each member of staff.
	Comply with Inland Revenue requirements	M	Northumberland County Council undertakes all payroll functions on behalf of the Parish Council. Internal and external auditors carry out annual checks.
	Compliance with Pension Fund requirements	M	The Parish Council has 3 employees, all being members of the Local Government Scheme. Necessary policy reviews and statements are prepared under the direction Tyne and Wear Pension Fund, which administers the scheme.
	Safety of Staff and Visitors	M	The Parish Office is located within Stakeford and Bomarsund Sports and

			Social Welfare Centre, a community building. The Parish Council is becoming engaged on an increasing basis in organising events where health and safety process and procedures are required in both planning and delivery. Risk grows with activity and the Parish Council has commissioned legal and technical support in consideration of legislative change and increased regulatory requirements from an external provider. Training in respect of risk assessment has been undertaken by all members of staff. The Parish Clerk, and members of staff received safeguarding training in 2025
Legal **Liability**	Ensuring activities are within legal powers	H	Clerk clarifies legal position on any new proposal ensuring legal authority. Legal advice is sought when required.
	Proper and timely reporting via the Minutes	M	Council meets quarterly and receives committee meetings minutes held in interim. Minutes made available through website.
	Information Governance	L	Documents are held in secure locations with authority for particularly sensitive documents to be deposited at bank or solicitors. The Parish Council is compliant with the requirements of GDPR, FoIA and other requirements are observed. All members have staff have received GDPR training during 2025.
Councillor Propriety	Registers of Interests and gifts and hospitality in place	M	Registers of interest is maintained by the Principal Authority and it is a legal requirement for Councillors complete and update their register of interests. The acceptance of gifts and hospitality is not encouraged and there is a requirement to

			declare any gifts or hospitality (over £50 in value) as and when received. This requirement extends to members and employees and is reviewed annually.

Angela Brindley
Parish Clerk/Responsible Finance Officer
01 May 2026