

RISK MANAGEMENT POLICY

Version	1.2
Effective date	August 2025
Date for review	August 2026
Policy owner	Chief Executive
Reference points	PwC Guidance on Risk in Higher Education (2023) QAA Mapping the Quality Code for HE and the OfS Conditions of Registration – Principle 8 (Operating Partnerships) Office for Students Regulatory Framework (Conditions C1, B3, B5, E6) BIMM University Risk Management Framework
Audience/handling notes	Institutional, Staff, Students, External, Public
Dissemination and implementation plan	This is a public statement, published on NHAM's website and reviewed annually. All staff receive training on the policy, which is referenced in the Staff Handbook; students are made aware of it through the Student Handbook and at induction. The Chief Executive is responsible for dissemination and implementation, with oversight from NHAM's Governance Committee.
Linked Policies, Procedures and Forms	Risk Register
Date approved	August 2025

1 Introduction

The Notting Hill Academy of Music (NHAM) recognises that effective risk management is fundamental to achieving its strategic objectives, protecting students and staff, complying with regulatory requirements, and ensuring the sustainability of the organisation.

This policy sets out NHAM's approach to identifying, assessing, monitoring, and managing risks. It explains the responsibilities of those involved in risk management and provides a framework for recording and reviewing risks through NHAM's Risk Register.

Risk management is not simply about avoiding threats; it also involves identifying and pursuing opportunities in a controlled and informed way, in line with NHAM's risk appetite.

2 Purpose

NHAM's risk management process is designed to:

- Support a culture of openness in identifying and discussing risks across the organisation;
- Ensure a consistent and proportionate approach to assessing and mitigating risks;
- Provide assurance to the validating partner, regulators, and stakeholders that NHAM has robust and effective systems of internal control;
- Meet the expectations of the OfS Conditions of Registration and QAA Quality Code;
- Link risk management directly to NHAM's strategic planning, operational delivery, and compliance



monitoring.

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Risk cannot be eliminated entirely, but NHAM's approach seeks to ensure that the level of risk accepted in any area is proportionate to the potential benefits and is within the agreed risk appetite for that category.

3 What is Risk Management?

In the higher education context, a risk is any event or condition that could have a negative or positive effect on NHAM's ability to meet its objectives, fulfil its regulatory obligations, or protect its reputation.

Risk management is the systematic process of:

- Identifying and analysing risks;
- Evaluating their likelihood and potential impact;
- Implementing appropriate mitigation strategies;
- Monitoring risks on an ongoing basis;
- Reporting and escalating risks as appropriate.

4 Responsibilities

The Chief Executive has ultimate responsibility for risk management at NHAM, ensuring that an effective framework is in place and embedded in operational and strategic decision-making.

The Governance Committee:

- Provides oversight of strategic risks through the NHAM Risk Register;
- Reviews risk management effectiveness as part of the Annual Monitoring Process;
- Determines NHAM's risk appetite in each core activity area;
- Ensures mitigation actions are implemented and controls are effective.
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All staff are expected to actively contribute to identifying and reporting risks within their areas of work and to follow agreed mitigation actions.

5 How risk is managed

NHAM's risk management framework operates on the principle that risk should be managed at the most appropriate level of the organisation, with strategic risks escalated to the Governance Committee.

The process includes:

- Risk identification: recognising threats and opportunities that could affect NHAM's objectives;
- Risk assessment: evaluating likelihood and impact using the methodology in Appendix 2;
- Risk mitigation: agreeing and implementing proportionate controls to reduce residual risk;
- Monitoring and reporting: reviewing risks regularly and updating the Risk Register.

Risk management is embedded in NHAM's decision-making, including new project approvals, partnership arrangements, curriculum changes, and compliance planning.

6 Risk Appetite

NHAM defines a specific risk appetite for each of its core activity areas. This guides decision-making and ensures risk-taking is aligned with strategic priorities and regulatory obligations.



Risk appetite is reviewed annually by the Governance Committee and recorded in Appendix 3.

7 NHAM Risk Register

The Risk Register is the central record of strategic and significant operational risks. It includes:

- Risk descriptions (event, cause, and impact);
- Assigned risk category;
- Inherent and residual risk scores;
- Target risk level in line with risk appetite;
- Mitigation actions and responsible owners;
- Last review date and current status.

The Risk Register is reviewed at every Governance Committee meeting, with updates provided by the Chief Executive.

8 Risk and investment decisions

When considering investment proposals or major operational changes, NHAM assesses both the potential risks and anticipated benefits. The reward–risk matrix in this policy supports proportionate decision-making.

	Perceived High Reward	Perceived Low Reward
Perceived High Risk	Pursue with Caution	Avoid
Perceived Low Risk	Prioritise	Safe to Pursue

9 Training

Risk management training is mandatory for all staff with strategic or operational planning responsibilities. This includes training on the use of the Risk Register, assessment methodology, and reporting procedures.

10 Monitoring and Review

Risk management is part of NHAM’s internal control framework. The Governance Committee ensures that systems of internal control are reviewed at least annually in line with OfS expectations for registered providers and the requirements of NHAM’s validating partner.

This policy will be reviewed annually to ensure it remains current with sector best practice, regulatory changes, and NHAM’s evolving risk profile.

Appendix 1

Risk Register Template

RISK IDENTIFICATION							RISK MANAGEMENT			STATUS	
Risk ID	RISK EVENT (Because of...)	RISK CAUSE (There is uncertainty that...)	RISK IMPACT (The effect would be...)	RISK CATEGORY (Taken from risk appetite)	INHERENT RISK SCORE (Likelihood x Impact)	TARGET RISK (Based on Uni's risk appetite)	RISK ACTION OWNER (Responsible for managing the risk)	MITIGATING ACTION (Should reduce likelihood and/or impact)	RESIDUAL RISK SCORE (Likelihood x Impact NB post-mitigation)	LAST REVIEW	OPEN/CLOSE
1	Students withdraw	We'll have poor retention rates	with the consequence that students do not fulfil their potential income will reduce may impact on B3;	Student Outcomes Financial Stability Regulatory compliance	L = 4 I = 4 TOTAL = 16	12	Chief Executive	Strengthened strategies for communication with current students. Compelling industry-relevant programmes where access to the music industry communicates real value in continuation to realise career aims (work experience, guest lectures, real-world projects)	L = 3 I = 4 TOTAL = 12	Sept 2024	Open

Column Heading	Description
Identifying the Risk	This is split into three sections to fully articulate the nature and implications of the risk: (i) event; (ii) cause; and (iii) impact.
Risk Category	Identify the risk category from the Academy's risk appetite that the risk relates to. If the risk is relevant to a number of categories risk owners should either select just one (based on the mitigating activity) or split out the risk to highlight the individual categories if there are multiple, but discrete, mitigations that require separate management.
Inherent Risk Score	The impact and likelihood of the risk occurring should be scored using the criteria provided at Appendix 2. The two scores should then be multiplied to determine the inherent risk score (between 1 – 25).
Target Risk Score	This should identify the target score for the level of risk deemed acceptable for the activity (this should be based within the relevant range associate with the risk appetite). If the residual risk is higher than the risk appetite score then further controls should be implemented to reduce the risk. Conversely, if the residual risk is significantly lower than the risk appetite score then this might indicate that controls can be relaxed.
Risk action owner	This should identify the individuals, committees or other bodies who have oversight of the risk
Mitigating Action	State the controls that are currently in place to manage or to mitigate the risk. The control should reduce the likelihood that a risk will occur and/or the impact were it to occur. The time, effort and expense of managing the controls should not outweigh potential benefits.
Residual Risk Score	The impact and likelihood of the risk occurring should be scored again, this time to reflect the level of the risk <u>with</u> the stated controls in place. The score will determine whether the residual risk is reduced to the target risk and/or sits within the Academy's risk appetite.
Review Date	Identifies when the risk was last reviewed.
Status	This should record whether the risk is open ('live') or closed.

Appendix 2

METHODOLOGY FOR SCORING RISKS

The term 'likelihood' refers to the probability that a risk will occur. The score for the likelihood of the risk occurring is determined by using the following for guidance:

RAG	Score	Likelihood of the Risk
Very unlikely	1	Rare and likely not to occur (< 5% probability)
Unlikely	2	Unlikely to, but could, occur (5% - 20% probability)
Possible	3	Possible to, so might, occur (21% - 50% probability)
Likely	4	Probably will occur (51% - 80% probability)
Very likely	5	Almost certainly will occur (> 80% probability)

The term 'impact' refers to the consequences for the Academy if the risk were to occur. The score for the impact if the risk occurs is determined by using the following scale for guidance:

RAG	Score	Impact of the Risk
Insignificant	1	Implications would have a very low impact and can be managed locally, or via minor revision of planned outcomes, or with little effect upon delivery and/or timescales
Minor	2	Implications would have a low impact and can be managed within any contingency funding set, or would detract slightly from the quality of outcomes, or would delay elements of the activity without impacting on the overall timescale for delivery.
Moderate	3	Implications would have a medium impact and would exhaust or exceed any contingency funding set, or would detract from the quality of outcomes but not detract from the overall purpose of the activity, or lead to slightly extended timescales that would not materially affect desired outcomes.
Major	4	Implications would have a high impact and could not be met within approved budgets, or would significantly detract from the quality of outcomes and reduce the viability of the activity, or lead to greatly extended timescales with outcomes later than required to obtain maximum benefit
Significant	5	Implications would be critical and increased costs would negate the benefits of the activity, or the quality of outcomes would be reduced to such an extent that the benefits of the activity would be negated, or extended timescales mean that outcomes are too late and negate the benefits of the activity

The overall risk score is calculated on the following basis

Likelihood x Impact = Overall Risk Score

So, for example, if the likelihood of the risk occurring is 3 and the impact of risk occurring is 3 then the overall risk rating is 9.

The overall risk score is then applied to the following matrix to determine whether the risk should be rated as negligible (blue), low (green), medium (yellow), high (amber) or extreme (red):

UoP Risk Matrix

Impact	Significant	5*	10	15	20	25
	Major	4	8	12	16	20
	Moderate	3	6	9	12	15
	Minor	2	4	6	8	10
	Insignificant	1	2	3	4	5
		Very unlikely	Unlikely	Possible	Likely	Very Likely
		Likelihood				

UoP Risk Ratings

KEY	
Negligible (1 – 2)	Risk is very low with little material impact and therefore likely to be tolerated (mitigation may be waste of resources)
Low (3 - 6)	Risk is within acceptable parameters but should be monitored; may wish to consider potential resources to treat, but possibly not commit
Medium (8 – 12)	Risk is at a moderate level and mitigating action is probably required; commit resources to treat or escalate the risk as appropriate
High (15 – 20)	Risk mitigation is likely to be required; ensure that mitigation/contingency plans are in place and/or consider transferring the risk to Board level
Extreme (25)	Risk is extreme and immediate action is required; commit resources to mitigation/contingency planning and/or consider termination

Risks that are categorised as low, medium, high or extreme may require mitigation to bring them in line with the Academy's risk appetite. When prioritising mitigation activity, risk owners should focus on any risk with an impact score of 5, as this reflects a "critical impact" on activities. It is for this reason that a risk that is considered significant but unlikely (see 5* above), is still assessed as a medium risk because of the significant impact the risk would have if it were to materialise.

The Academy's objective for risk management is to optimise its control of risk. This involves ensuring that the most cost-effective controls are in place for each risk and that a cost-benefit analysis of the controls is considered. This may mean that certain risks are not fully mitigated (and continue to have a high residual score) because the cost of reducing the risk still further may be higher than the potential cost incurred if the risk occurred.

There will be occasions when factors outside of the Academy's control limit the control measures that can be implemented to manage a risk. Examples might include government policies on student funding or student visa controls. In such cases, it should be recognised that it may not be possible to significantly reduce the level of residual risk to the Academy.

Appendix 3

Notting Hill Academy of Music's Risk Appetite

		Risk appetite					Notes
		Negligible (1-2)	Low (3-6)	Medium (8-12)	High (15-20)	Extreme (25)	
Risk category	Reputation	Review risk		NHAM risk appetite		Escalate risk	NHAM has established itself as a successful industry focussed programme aligned with Sony Music UK and is keen to protect its reputation. NHAM is willing to be seen as innovative and set itself apart from similar providers in this space through this reputation for industry relevance and innovation. Its links to music industry mean that it has a medium tolerance for reputational risk as it's staffed by highly experience professionals from creative industries marketing used to managing reputation, brand and mitigating risk.
	Statutory and regulatory compliance	Review risk	NHAM risk appetite			Escalate risk	NHAM is committed to being fully compliant and has good reputation and staffing in quality assurance and regulatory compliance.
	Financial sustainability	Review risk	NHAM risk appetite			Escalate risk	NHAM is willing to make some investments to ensure that it can be successful in its delivery of HE programmes and already has the resources accumulated to invest in staff, its premises and its equipment.
	Academic quality	Review risk	NHAM risk appetite			Escalate risk	NHAM isn't willing to compromise academic quality and believes that high academic quality can be achieved with high industry relevance
	Industry relevance	Review risk			NHAM risk appetite	Escalate risk	NHAM is willing to work closely with industry to think about its education in a real-world and innovative way. We aim to create world-leading music industry programmes and are willing to take risks on future technologies.
	Student recruitment	Review risk			NHAM risk appetite	Escalate risk	NHAM aims to offer talented students a chance at Higher Education who may have musical, entrepreneurial, creative and communicative talent but who may not have traditional entry profiles.
	Student experience	Review risk		NHAM risk appetite		Escalate risk	NHAM takes a medium risk, and adheres to HE best practice in offering a solid, stable and positive student experience
	Student outcomes	Review risk		NHAM risk appetite		Escalate risk	NHAM has a medium risk, understanding that some students with non traditional entry profiles may realise varied results
	Staff (attract, retain and manage)	Review risk			NHAM risk appetite	Escalate risk	NHAM's USP is industry relevance and connectedness, therefore staff who truly know and understand the industry are as important as those who understand traditional HE delivery too.
	Safety (staff, students, visitors)	Review risk	NHAM risk appetite			Escalate risk	NHAM will not compromise on the safety of all students, staff and visitors and has a low risk appetite in this area
	Physical estate	Review risk	NHAM risk appetite			Escalate risk	NHAM has a stable base and wishes to ensure consistency of experience for students, therefore takes a low risk, preferring well-equipped, safe, secure and appropriate premises for education that meet high standards.
	Digital estate	Review risk	NHAM risk appetite			Escalate risk	NHAM is tech enabled in its business and curriculum, but wishes to maintain consistent, stable and secure provision. It is confident delivering with education technology and therefore can lower the likelihood of risks associated with technology affecting the business or student experience
	Environmental sustainability	Review risk		NHAM risk appetite		Escalate risk	NHAM has a medium risk, knowing that it is committed to sustainability but as a small organisation, has limitations
	Equity diversity and inclusion	Review risk		NHAM risk appetite		Escalate risk	NHAM has a medium risk in this area and is aware there are some limitations outside of its control. However, as a provider NHAM, has strived towards providing and implementing both EDI and widening participation and it will continue to fully focus on these areas as part of its ongoing strategic commitment.

