POLICY PROPOSALS
Risk Management
THE OPPORTUNITY TO TRANSFORM THE UK'S RESILIENCE TO EXTREME RISKS
September 2022
Management of Extreme Risks

Lead the world in the UK’s approach to Risk Management

Implement the ‘Three Lines of Defence’ model

- Legislate for and implement a government risk management framework based on the ‘Three Lines of Defence’ model. Each line should be managed by a different body:
  - Departmental risk owners on the first line would be accountable to a Chief Risk Officer (CRO) on the second line, a single point of accountability for risk management in government.
  - The CRO should be at the core of government (No 10, Treasury or Cabinet Office), reporting to the PM or Chancellor or Chancellor of the Duchy of Lancaster, and advising a cabinet-level subsidiary committee to the National Security Council chaired by the PM or the Chancellor.
  - An independent review function would form the third line, a National Extreme Risks Institute or equivalent sitting outside government, made up of external risk experts and established by statute (like the Climate Change Committee), reporting to Parliament via a joint select committee such as the Joint Committee on the National Security Strategy.

Significantly enhance the government’s National Security Risk Assessment

- Implement an improved National Security Risk Assessment and National Risk Register with an expanded timeline well beyond two years in order to sufficiently capture extreme risks.

- Institute an enhanced risk identification, assessment and mitigation process involving horizon scanning, vulnerability assessment, scenario analysis and mitigation action planning.
RISK MANAGEMENT

Management of Extreme Risks

Establish the UK as a global leader in resilience

- Call on other countries to create their own ‘Three Lines of Defence’ risk management structures, and sharing the blueprint to do so.

- Encourage annual meetings of CROs from around the world, to share information and learning from each others’ views of emerging risks and risk assessments (this could include for example pandemic risk assessments and preparedness plans).

- Develop a set of light structures and processes for UN member states to address extreme risks, working initially with like-minded nations, as a stepping stone to a formal Treaty on Existential Risks to Humanity, with a series of UN Security Council resolutions to place the new framework on the strongest legal footing.

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