Rushmoor Borough Council
Corporate Risk Management Policy and Procedures
v3.0 15/08/25

Section 1: Introduction and Overview

1.1 Overview
This document describes the Council's policy and procedures for the assessment and management of corporate risk.

Section 2 sets out the policy and management approach. Section 3 sets out the operational procedures used to manage risk.

1.2 What is Risk
There are many definitions of risk and risk management. In the context of this document it considers the effect of uncertainty on the delivery of the Council's objectives. Risk can be further defined as the combination of the probability of an adverse event occurring and its potential consequences. It is used to define a matter/incident/potential issue that may prevent the Council from meeting its core objectives or that may result in the critical failure of all or part of the Council or its functions.

Risk can also present as an opportunity for benefit as well as threat to success. The objective of risk management will not always be to eliminate risk. For example the Council may seek out risk in order to receive benefit e.g. investment in the development of a digital application in order to seek future service efficiency.

1.3 Why does the Council need to formally manage risk
The Council's employees manage risk every day without describing it as 'risk management'. Employees consider what might go wrong and take steps to reduce the likelihood or impact if it does. However, the Council cannot rely entirely on informal processes. As a public body, the Council must provide assurance to elected members and the public that it is recognising and managing risk effectively.

1.4 Responsibilities for managing risk within the Council
Everyone at the Council is responsible to some degree in the management of risk in their day-to-day activities, from front line staff to Service Managers, Heads of Service (HoS), Directors and the Head of the Paid Service.

Significant risks must be formally identified, assessed and appropriately managed in order to mitigate their likelihood and/or their adverse impacts. This could be on the continued operation of the Council, compliance with legal obligations or achieving strategic objectives.

The responsibility to ensure that the Council's risk management process is effective lies with the Head of Paid Service, Senior Leadership and elected members. The responsibility to manage this process is delegated to the Senior Risk Officer (SRO) (Currently the Executive Director), with day-to-day management provided by the Service Manager for Risk, Performance and Procurement (referred to as the risk manager in this document – RM).

Section 2: Policy and Management Approach

2.1 Summary of Approach
Senior employees with overall managerial responsibility for the majority of risks, are referred to in this process as 'risk owners' (Predominantly members of the Senior Leadership Team - SLT). They act a single point of contact responsible for taking the lead in ensuring that risks and any mitigations are managed appropriately, including compliance with this policy.

The Council oversees the management of risk collaboratively through the work of SLT and all significant risks are periodically reviewed by them. The determination as to whether a risk is deemed 'significant' is set out later in this policy using a common risk management procedure, to ensure consistency in approach.

The Council will record and assess its work to manage risk through the use of risk registers, held centrally in digital format. These are split into individual Service Risk Registers (SRR) with a single central Corporate Risk Register (CRR) that highlights the most significant risks. Corporate risks are categorised as 'strategic (ST), 'standing corporate (SC)' or 'escalated service (ES)'.

These risk registers are not intended to be used as a means of recording and managing **all** risk to the Council, or the management of its day-to-day business activities, but to summarise and record the mitigations in place for its significant risks to ensure that they are being effectively managed.

Given its nature, the risk management process will provide a regular periodic snapshot of the current level of risk to the Council in each case and any additional mitigation planned for those risks.

The Council will ensure that its arrangements follow the general principles of good practice as laid out by risk industry guidance, such as the Orange Book published by the UK Government.

The risk management process is cyclical, running on an annual cycle linked to the business planning process and preparation of the Annual Governance Statement (AGS).

2.2 Leadership and Management
The risk management process is overseen by the Senior Risk Officer (SRO). The day-to-day management and maintenance of the risk management system is the responsibility of the RM. To ensure that the RM role itself does not become a single point of failure, the SRO and the RM will ensure that the process can be temporarily administered by other Officers in the RM's absence, with an appropriate level of training, understanding and security access to deliver this function.

Risk owners are responsible for the management of risks and the maintenance of associated processes such as Service Risk Registers. Service Managers may however be delegated the role of 'risk manager', with the responsibility of managing risks and updating registers.

Risk will be considered by SLT every quarter to ensure collective oversight is given to risk at a senior level on a regular basis. The purpose of this collective oversight is to;

- Ensure consistency of approach
- Review risk levels and ensure all significant risks are included in the appropriate register
- Ensure the risk levels are in line with the Council's overall risk appetite
- Assist the identification of interdependencies between risks
- Maintain momentum on progress in relation to risk mitigation and resolution of issues arising from risks being realised

2.3 Training & Guidance

The RM and risk officers will be appropriately experienced and provided with information, instruction/training and guidance to ensure that they are able to effectively fulfil their roles.

Appropriate training, guidance and advice will be provided to all staff that routinely carry out risk management activities in line with this policy, including HoS and Service Managers. All staff requiring training will be identified to the RM by the relevant HoS/Member of SLT.

Training will be undertaken approximately every two years, and on any significant change to the policy or risk register template(s)/methodology, or upon the identification of any significant concerns in competence.

An overview of risk management is provided to all new starters to the Council during their induction.

In addition, the RM will provide advice, support and guidance on the Council's risk management process to any employees and contractors on request.

2.4 Documentation

The Council's risk registers are held centrally in digital format. Currently MS lists located on Sharepoint.

HoS will be responsible for ensuring that their Service Risk Register is updated at least monthly and that risk is a standing agenda item on their service meetings. New risks should be added to the appropriate risk register as soon as they are identified.

2.5 Governance

2.5.1 Senior Leadership Team (SLT)

The Senior Risk Officer (SRO) will ensure risk is reported to SLT at least every 3 months using the CRR to ensure SLT remain aware of the key risks to the Council and the measures being put in place. The risk owners may be required to present their risk entries to SLT for wider discussion.

Minutes and actions arising from the quarterly SLT consideration will be circulated and stored for future reference.

2.5.2 Elected Members

It is the responsibility of Elected members to maintain oversight on the management processes in place at the Council and to ensure that the risk treatment plan for each risk in the CRR is effective.

Risk Management is a function of the Council's Audit and Governance Committee (AGC) and will also be reported to the Executive members via Cabinet as follows.

- Cabinet – quarterly through the quarterly performance report
- AGC – quarterly, to provide independent assurance of the adequacy of the risk management framework, arrangements and the associated control environment

3.1 Risk Identification
Risks will be identified by a number of methods, for example (but not limited to):

3.1.1 Strategic and Corporate Level
Strategic analysis tools can used to identify and analyse the current status and position of an organisation and the environment in which it operates. Tools such as this are used to provide a context for the organisation's role in relation to the external environment and the impact of external issues.

As the Corporate Risk Register and Service Risk registers are updated quarterly and identify the most important risks to the Council they will be used strategically in the overall corporate planning process for the Council. To facilitate this the Council's Performance Management and Policy teams will have full access to all Service Risk Registers and the Corporate Risk Register.

3.1.2 Service Level
Heads of Service will identify any significant risks to their service during the business planning process, including ongoing matters and new and emerging threats foreseen for the year ahead.

3.1.3 Audit
Risk identification and analysis work takes place routinely within the Councils' Internal Audit team. Any new/emerging or increased risks will be brought to the attention of the appropriate risk owner and the SRO/RM. Where appropriate, these risks/updates must be included in the Service risk register by the risk owner.

Audit will routinely share reports that highlight or assess the management of risk in the Organisation in order that any gaps or inaccuracies are identified and resolved – in conjunction with the risk owner.

The Council's Audit team will have full access to all Service risk registers and the Corporate risk register.

3.1.4 Horizon Scanning
Service Mangers, HoS and SLT should routinely be horizon scanning to identify future risks.

In addition, the RM will ensure that industry publications and other sources of best practice guidance are periodically reviewed, to identify any new and emerging risks that may affect the Council.

Such publications/sources of information will include:
- Allianz Risk Barometer: Top Business Risks (annual)
- Hampshire County Council: Community Risk Register
- Cabinet Office: National Risk Register of Civil Emergencies
- World Economic Forum: The Global Risks Report (annual)
- Government and public body publications
- Third party journals and publications
- ALARM risk association membership – conferences and publications.

The Council's Policy Team will routinely monitor Government publications and other sources of information in order to identify new and emerging risks as early as possible.

3.1.5 New and Emerging Risks
New and emerging risks will be identified via a number of routes. It is important to recognise not all risks can be predicted and some may be identified during the day-to-day operation of Services, where new (and sometimes unexpected) risks can arise/become apparent during the course of the Council's work or arise in the community or as a result of unexpected events (e.g. recent riots). Once identified, risks must be documented and mitigated where possible, shared and incorporated into the Council's risk management processes.

In order to both highlight and seek awareness of new and emerging risks, the RM will also be a standing member of the Corporate Governance Group.

3.1.6 Capturing Opportunities Identified
During the process of risk identification and horizon scanning, opportunities may also be identified, such as those to apply for funding or grants. Opportunities and threats can also arise when there are local/national policy changes and associated consultations. These are also tracked by the wider Policy team.

In general terms, opportunities will be recorded and tracked on the Council's Policy & Funding tracker, administered by the Policy team. Threats will predominately be recorded through the risk register process described in this policy. It is recognised that there may be some crossover in this process, where for instance there are risks to the Council associated with pursuing an opportunity. Any duplication will be minimised by the Policy team and RM to ensure end users are clear as to what is required of them and that they are not unnecessarily burdened.

Once an opportunity has been identified by the Policy team and added to the tracker, the appropriate Service(s) will be notified. The decision then as to whether to take any action lies with the Service(s), including keeping the tracker up to date.

3.2 Strategic Risk Appetite
The Council has developed a corporate risk appetite at a strategic level. Its purpose is to ensure that the priorities of the Council and appetite towards risk taking is agreed at a Senior level across officers and elected members and appropriately considered when making decisions and throughout the risk management process. Those responsible for strategic direction/policy setting at The Council will be responsible for deciding the risk appetite, including SLT, Cabinet and AGC.

Defining a Corporate risk appetite at a strategic level, whilst ensuring it remains applicable to all activities of the Council, can be complex. Whilst some Services are actively engaging in higher risk activities for reward or the delivery of innovation, others main role is to undertake services where risk needs to be minimised.

The development and revision of the risk appetite is carried out using a collaborative approach (such as a workshop), including members of SLT, Cabinet and other key Elected Members (e.g. the Chairs of AGC and PPAB). The strategic risk appetite is included as an Appendix to this policy. It will be reviewed at least every two years, or whenever the strategic priorities of the Council are updated.

The Council will need to take measured risks to achieve the priority objectives included in the Council Delivery Plan. There will likely be opportunities for the Council to be innovative or work differently and any identified risks will need to be considered against the anticipated cost and efficiency benefits. However, accepting a higher level of risk in one area of business does not mean the Council has a 'high' appetite for risk overall.

To set the appetite towards risk at a more granular level, and to allow each risk to be considered in its own right, risk appetite will be considered over a number of themes or areas. These will evolve over time and those used in the development of the 2025 risk appetite are recorded in Appendix 1, Part 1.

There will be some common themes in the Council's acceptance of risk. These will vary over time, but it is implicit in the role of SLT and risk owners to recognise and apply them. An example is the Council's financial position. If the Council is in a position where savings must be made – the appetite for any risk where there will be significant costs outside of agreed budgets may be very low. It is expected that this form of cross-cutting broader attitude towards risk will be captured within a single risk appetite policy statement, Appendix 1, Part 2.

The council's risk appetite should be considered in conjunction with the risk section of all committee reports when decisions are made. At a line-by-line risk level, application of the strategic risk appetite will be demonstrated and recorded where appropriate by:

- Services discussing the effect of the strategic risk appetite and line by line target risk with their Portfolio holders for every corporate risk register entry, when first added and when there is a significant change in risk score.
- Discussing the risk appetite (risk gap) for each new risk added to the CRR, at SLT during each risk cycle, to reach a consensus amongst Officers in order to make a recommendation to Cabinet and for these decisions to be recorded in the minutes.
- For existing risks, using any significant increase in the risk gap (the gap between residual and target risk scores) as an indicator of a significant change – discussing and reviewing the position on the risk appetite for that risk at SLT – and again to reach a consensus amongst Officers in order to make a recommendation to Cabinet.
- To recommend to Cabinet during each risk cycle, via the Cabinet report – that they discuss the risk appetite for those risks highlighted above and reach a consensus on the risk appetite for each line item.

3.3 Risk Assessment Methodology

3.3.1 Rating & Categorisation
Each risk managed by this process will be assessed and given a risk category based upon the probability of the risk arising and the impact on the Council if it does arise. The same method of rating/scoring will be used throughout.

A traffic light indicator / RAG rating is used to show the risk category. A Corporate risk matrix, maintained and updated by the RM, is provided to assess the probability and impact of risks. This is provided later within this document.

The process for assessment of the risk for each register entry is as follows:

- **Inherent Risk**
  This assessment takes place at the very beginning of the process, it does not take into account any mitigation currently in place or planned in the future. The purpose is to initially assess the significance of the risk to the Council. This risk score is not expected to routinely change unless the risk itself fundamentally changes.

  If at this stage risks are assessed as being low and therefore not of significance from a Corporate perspective, Services may still wish to record and monitor them within their Service registers, but it is very unlikely to be appropriate for inclusion in the Corporate Risk Register.

- **Residual Risk**
  This assessment takes place once the current mitigation(s) have been identified and recorded. It is an assessment of the current risk to the Council when taking into account any action already taken. It does not take into account the expected effect of any future mitigations planned.

  This risk score is likely to change regularly as future mitigation(s) are completed/established and the effects can be assessed.

- **Target Risk**
  This assessment of risk is based upon the position that the Council aspires to achieve against each risk. It effectively determines the goal that the Council has for the risk – and so also determines whether the mitigations in place and planned are adequate.

  The application of a target risk score is one method by which the Council assesses its risk appetite for each specific risk entry, whereby a decision must be taken as to whether the current level of risk is acceptable.

  The Council's strategic risk appetite policy must be considered when setting the target risk to ensure that it is consistent with the strategic approach.

  The 'risk gap' between the residual and the target risk are a clear measure of the Council's success or otherwise in the management of its risks to an acceptable level.

  Given the breadth of duties and roles that the Council holds, it is foreseeable that some target risks will be higher than others – and that in some cases the target risk will not and will never be low.

  Although Council's have historically been seen as being predominantly risk averse given their responsibility for the appropriate spending of public funds, some risks may be accepted with appropriate controls in place.

4. Risk Matrix & RAG (Red/Amber/Green) Rating

The matrix to be used for the assessment of all risks is as follows. The rating consistency guidance accompanying it will have regard to the corporate risk appetite policy and wherever possible use examples sourced from the themes.

Severity of Outcome (S)	4	🟧	🟥	🟥	🟥		High Risk	🟥	Strongly consider further mitigation, tolerating risk is unlikely to be acceptable
	3	🟩	🟧	🟥	🟥		Med. Risk	🟧	Tolerable if risk/exposure is acceptable at senior level
	2	🟩	🟧	🟧	🟥		Low Risk	🟩	Additional action may not be necessary to manage risk
	1	🟩	🟩	🟩	🟧				
		1	2	3	4				
	Likelihood of Occurrence (L)								

Rating Consistency Guidance

	Likelihood of Occurrence (L)	Severity of Outcome (S)
1	**Very unlikely** Very unlikely to occur, (no history or near misses etc). Less than 5% probability.	**Minor** Risk to specific role. Legal action unlikely. No significant illness or injury. Negative customer complaint possible. Financial impact negligible. No significant risk to matters highlighted in risk appetite statement.
2	**Unlikely** Unlikely but may occur (may have happened, but not within past 5 years). Is not expected to happen in next 5 years, less than 25% probability	**Moderate** May be a risk to normal continuation of service. Legal action possible but defendable. Short term absence/minor injury. Negative customer complaints widespread. Financial impact manageable within existing Service budget. Possibility of impact against matter(s) in risk appetite statement but may be mitigated.
3	**Likely** Likely to occur (or already happened in the past 2 to 5 years). Is expected to happen in the next 2 to 5 years, 25 - 50% probability	**Significant** Partial loss of service. Legal action likely and may not be fully confident in defense. Extensive injuries or sickness. Negative local publicity. Significant fine. Financial impact manageable within existing Corporate budget - but not Service. One or more matter within risk appetite statement likely to be significantly impacted.
4	**Very likely** Very likely to occur (or has already happened in the past year), may occur frequently. Is expected to happen in the next year, more than 50% probability	**Major** Total loss of a service. Legal action likely & difficult to defend. Death or life threatening. Negative regional or National publicity. Imprisonment. Financial impact not manageable within existing funds. Risk appetite statement will not be adhered to.

5. Risk Control / Mitigation Methods

There are various options for controlling risk, often referred to as the four Ts:

- **Tolerate (retain/accept the risk)** – if the Council cannot reduce a risk (or if doing so is out of proportion to the risk) it can tolerate the risk, i.e. do nothing further to reduce the risk. This option must be taken by informed decision only. It is clear that this option will be more likely in the event of taking risk in order to seek benefit/opportunity.

- **Treat (mitigate the risk)** – if the Council can reduce the risk by identifying mitigating actions and implementing them, it should do so. For many of the risks on the corporate risk register this is the action the Council is most likely to take.

- **Transfer (share the risk)** – risks can be transferred to or shared with other organisations, in whole or in part, for example by use of insurance, shared services with other Authorities or by contracting out an area of work. There will almost always be limitations in this method, it is unlikely to be 100% effective. It is also likely that some risk will be retained, for example to reputation.

- **Terminate (eliminate the risk – stop the work/activity)** – this applies to risks the Council cannot mitigate other than by not doing work in that specific area. For example, if a particular project is very high risk and these risks cannot be mitigated to an acceptable level, particularly with regard to the Corporate risk appetite, the Council may decide to terminate it entirely.

6. Risk Types & Records

6.1 Service Risks

In order to ensure that key risks are identified, assessed, managed appropriately and recorded consistently a risk register will be updated and maintained by every service. These are known as Service Risk Registers (SRR) and will record <u>all</u> significant Service risks.

All SRRs must be reviewed and updated at least monthly by the risk owner or their delegated Service Managers/Risk Managers.

The RM will provide each Service with an appropriate template for carrying out and recording their risk assessments. This will include an appropriate method of version control and the ability to archive risks that are no longer current.

6.2 Service Risk Registers (SRR)

These will contain all significant risks to a service that are key to the organisation in terms of the potential severity of the outcome. It is not the intention to use the SRRs as a means of managing day-to-day work of a service.

It is the responsibility of each HoS to maintain its own SRR and review/update it whenever there is a significant change in circumstances, or at least monthly in their Service meetings.

The SRRs will include a method by which HoS can identify risks to be included in the Corporate Risk Register (CRR) as Strategic, Standing Corporate or Escalated Service risks. These will be identified by virtue of the potential risks to the Council as a whole, or their Council-wide crosscutting nature. They are further described below.

HoS will be expected to have regular update meetings with their respective Portfolio holders, using their risk registers to keep the Portfolio holder aware of the current status of the risks within their service. This update must take place at least quarterly.

Those risks identified as being officially sensitive in nature will be marked to ensure that they can be easily redacted/removed from any publicly available copy of the register.

Services must use the risk register format/template provided by the RM.

6.3 Capital Project Risks & Other Significant Interests
Capital projects, such as large-scale regeneration projects, will be treated in a similar manner to Services. Each Project team will hold and maintain a project risk register and manage the day-to-day risks within their teams. The Project Sponsor will be responsible for ensuring that risk register is reviewed on a regular basis.

SLT receive regular project highlight reports for all significant projects including key project risks

Where the Council is a significant stakeholder in other organisations such as Rushmoor Housing Limited, the Senior Officer of the Council involved in those arrangements will ensure that the risk management processes in place align with this policy, protect the interests of the Council, and that significant risks are appropriately escalated to the CRR.

6.4 Corporate Risks
These are risks that have greater significance for the Council as a whole.

These can be further categorised as being 'Escalated Service risks (ES)', 'Standing Corporate risks (SC)' or 'Strategic Risks (SR)'.

6.5 Escalated Service (ES) risks are likely to be those that by virtue of the severity of the potential outcome and/or inadequate controls may be considered a single point of failure for the Council, rather than a threat to a single Service alone. It could also include those risks that are newly identified and have little or no mitigation or controls in place, that require wider consideration and support.

These risks will tend to be operational in nature and arise, be resolved/adequately mitigated and then removed from the CRR.

There are a number of tests that can be applied in order to determine whether a Service risk should be escalated but given their nature and to ensure consistency of approach, it may be appropriate to discuss these risks with the RM before escalating them. The application of a high-risk rating is not a reason in its own right to escalate a risk. It would also be inappropriate to escalate a risk in order to simply raise awareness with other Services, Senior Management or Elected Members. Other methods of reporting/communication should be considered if this is the main aim of the risk owner.

The Service should consider whether oversight/discussion is required at SLT or if the risk can be wholly managed within the Service itself. If no Corporate oversight/intervention, etc., is required, it is not expected that they will be escalated.

6.6 Standing Corporate (SC) risks may also be considered a single point of failure for the Council, and in most cases, although the Corporate response may be managed by a single Service, they will be cross cutting and longer term in nature. SC risks will tend to remain on the CRR for longer periods of time, if not indefinitely. Examples of these may be the Council's financial position or compliance with data-protection legislation, both of which have a wide impact and involvement from across the Council but are generally overseen or managed by one service.

SC risks, impacting more than one Service, will normally be managed by a single Service with the expertise required, but, if not, they will be assigned to one single risk owner as the lead. This is for practical purposes to avoid duplication and ensure that they are managed overall by a single Officer. Although the day-to-day management of the risk itself may not fall entirely upon that risk owner, they will be responsible for collating and updating SLT and the risk register entry on behalf of the Council.

6.7 Strategic (ST) Risks
Strategic risks will tend to be long term in nature and are more likely to be outside the direct control of the Council, for example the local economy, employment or obesity levels.

As they are longer term in nature, the ST risks will be updated at least every 3 months in order that they can be presented to SLT.

### 6.8 Corporate Risk Register (CRR)
This register contains the key risks to the Council that are considered to be current issues of corporate significance. This will be made up of all of the current Council's ST, SC and ES risks identified.

With the assistance of HoS, the CRR will be updated by the RM every 3 months in order that it can be presented to SLT by the SRO for review and discussion.

Those risks identified as being officially sensitive/not suitable for the public register will be marked to ensure that they can be easily redacted or removed from any publicly available copy of the register. This will be the responsibility of the risk owner during the assessment process.

An appropriate method of version control will be kept by the RM to ensure that the most up to date register is in use but that older versions of the register remain accessible.

7. Diagram: Rushmoor Borough Council Risk Management Process
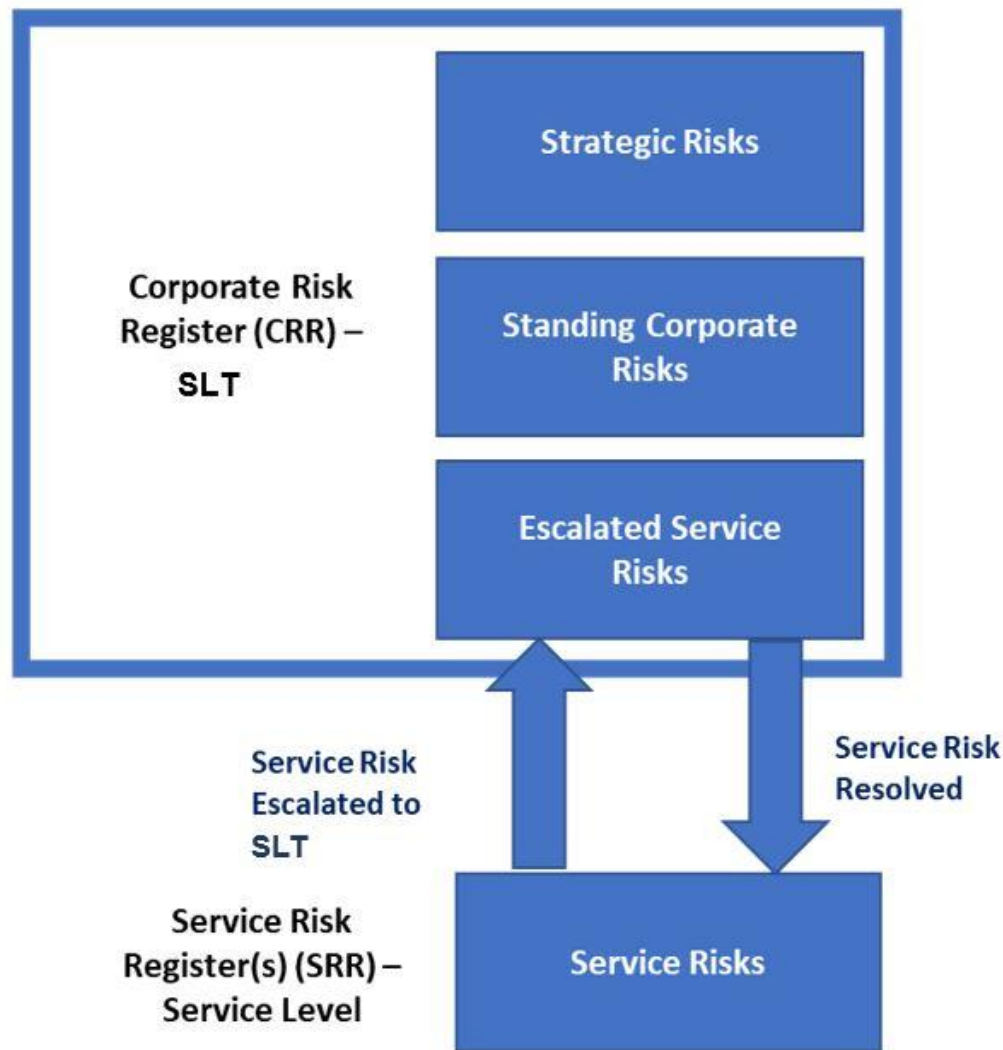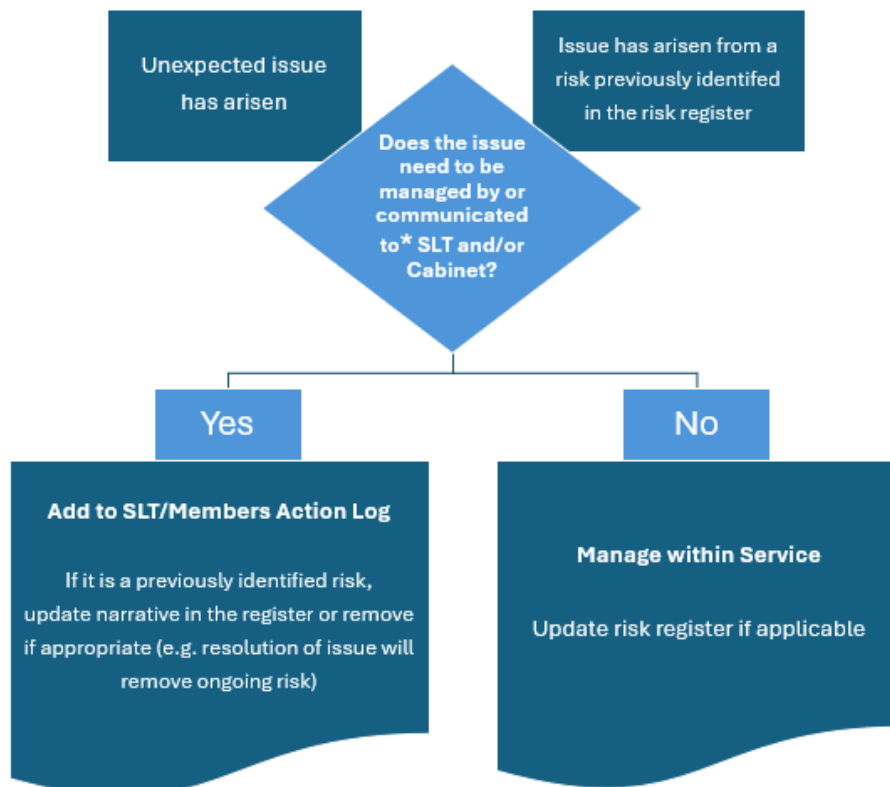

8.Issue Identification and Management

An issue in the context of this policy, is a problem or a negative event that has already occurred, is certain to occur, or is a risk that has or has a high probability of materialising.

Inevitably there will be occasion when despite all the mitigation put in place, a risk previously identified will develop into an issue. It is also possible that an issue will arise that had not been previously identified as a risk.

In any case, issues of Corporate significance must be identified, brought to the attention of senior management and/or SLT and managed appropriately, with records kept centrally of the action taken to resolve them or mitigate the impacts.

All issues requiring Senior Corporate oversight will feed into the Corporate Action, Issue & Decision (AID) Tracker for onward management. This issue log will be held and managed by the Corporate Policy Team. The risk register (if applicable) must then be updated as appropriate – following the guidelines below.

Diagram: Issue Management Process

Unexpected issue has arisen

Issue has arisen from a risk previously identifed in the risk register

Does the issue need to be managed by or communicated to* SLT and/or Cabinet?

Yes

No

Add to SLT/Members Action Log

If it is a previously identified risk, update narrative in the register or remove if appropriate (e.g. resolution of issue will remove ongoing risk)

Manage within Service

Update risk register if applicable

*Consider significance of:
Public opinion / social impact
Political outfall
Budgetary impact
Service impact
Negative publicity / reputational damage
Environmental impact
Legal challenge, dispute or enforcement

Appendix 1: Strategic Risk Appetite – Risk Appetite by Theme

Risk appetite level & definition					
	Averse	**Minimal**	**Cautious**	**Open**	**Eager**
Governance *The way that Rushmoor is managed at the highest level, and the systems for managing/overseeing this.*	Averse - Avoid actions with associated risk. No decisions are taken outside of processes and oversight / monitoring arrangements.	Minimal - Willing to consider low risk actions which support delivery of priorities and objectives. Processes, and oversight / monitoring arrangements enable limited risk taking.	Cautious - Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking.	Open - Receptive to taking difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements enable considered risk taking.	Eager - Ready to take difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements support informed risk taking.
Strategy *The approach and plans agreed for achieving the Council's priorities.*	Averse - Guiding principles or rules in place that limit risk in organisational actions and the pursuit of priorities.	Minimal - Guiding principles or rules in place that minimise risk in organisational actions and the pursuit of priorities.	Cautious - Guiding principles or rules in place that allow considered risk taking in organisational actions and the pursuit of priorities.	Open - Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities.	Eager - Guiding principles or rules in place that welcome considered risk taking in organisational actions and the pursuit of priorities.
Operational Service Delivery *How we provide services to our customers and residents.*	Averse -Defensive approach to operational delivery - aim to maintain/protect, rather than create or innovate.	Minimal – Change and innovations largely avoided unless essential. Decision making authority held by senior management	Cautious - Tendency to stick to the status quo, innovations generally avoided change minimised unless necessary. Decision making authority generally held by senior management.	Open – Change and Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non-critical decisions may be devolved.	Eager - Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority.
Legal *Our general compliance, legal and statutory duties (including matters such as health & safety).*	Averse - Play safe and avoid decisions or actions which could be challenged, even unsuccessfully.	Minimal - Want to be very sure we would win any challenge to decisions or actions we take.	Cautious - Want to be reasonably sure we would win any challenge to decisions or actions we take.	Open - Challenge will be problematic; we are likely to win, and the gain will outweigh the adverse impact	Eager - Chances of losing challenges are high but exceptional benefits could be realised.

	Averse	Minimal	Cautious	Open	Eager
Property *The management of and investment in the Council's land and property assets (including commercial properties, operational and community assets and facilities).*	Averse - Obligation to comply with strict policies for purchase, investment, rental, disposal, construction, and refurbishment that ensures producing good value for money or return.	Minimal - Recommendation to follow strict policies for purchase, investment, rental, disposal, construction, and refurbishment that ensures producing good value for money or return.	Cautious - Requirement to adopt a range of agreed solutions for purchase, investment, rental, disposal, construction, and refurbishment that is likely to produce good value for money or return.	Open - Consider benefits of agreed solutions for purchase, investment, rental, disposal, construction, and refurbishment that would contribute to meeting wider organisational or place objectives.	Eager - Application of higher risk solutions for purchase, investment, rental, disposal, construction, and refurbishment that may contribute to meeting wider organisational or place objectives.
Financial *Our overall financial position and its management (budgets, income, investments and savings).*	Averse - Avoidance of any adverse financial impact	Minimal – Will only take risk essential to existing service delivery - with consideration of the MTFS Reserve & Capital Receipts Strategies and ability to maintain a balanced budget. Likely decision level within ELT delegation, up to adverse £20k ongoing or one-off NET revenue impact.	Cautious - Seek delivery of Corporate Plan – with consideration of the MTFS Reserve & Capital Receipts Strategies and ability to maintain a balanced budget. Likely decision level within Cabinet delegation, up to adverse £100k ongoing or one-off NET revenue impact.	Open - Seek delivery of Corporate Plan – without consideration of a balanced MTFS and contra to existing Reserve & Capital Receipts Strategies. Likely decision level with Full Council delegation, over adverse £100k ongoing or one-off NET revenue impact.	Eager - Open to risk without reference to financial capacity. Likely decision level with Full Council delegation, over adverse £100k ongoing or one-off NET revenue impact
People *How we treat our staff (autonomy in decision making, investment in training etc).*	Averse - Priority to maintain close management control & oversight. Limited devolved authority. Limited flexibility in relation to working practices.	Minimal - Decision making authority held by senior management. Development investment generally in standard practices.	Cautious - Seek safe and standard people policy. Decision making authority generally held by senior management	Open -Prepared to invest in our people to create innovative mix of skills environment. Responsibility for noncritical decisions may be devolved.	Eager - Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority.

Technology *The equipment (physical and digital) we use.*	Averse - General avoidance of systems / technology developments. Defensive approach to transformational activity - aim to maintain/protect, rather than create or innovate.	Minimal - Only essential systems / technology developments to protect current operations. Innovations avoided unless essential.	Cautious - Consideration given to adoption of established / mature systems and technology improvements. Tendency to stick to the status quo, innovations generally avoided unless necessary.	Open - Systems / technology developments considered to enable improved delivery. Innovation supported, with demonstration of commensurate improvements.	Eager - New technologies viewed as a key enabler of operational delivery. Innovation pursued – desire to 'break the mould' and challenge current working practices.
Data & Info Management *How we hold, share, process and store our information and data (physically and digitally).*	Averse - Lock down data & information. Access tightly controlled, high levels of monitoring.	Minimal - Minimise level of risk due to potential damage from disclosure.	Cautious -Accept need for operational effectiveness with risk mitigated through careful management limiting distribution.	Open -Accept need for operational effectiveness in distribution and information sharing.	Eager - Level of controls minimised with data and information openly shared
Council Reputation *How we are viewed by others (partners, key stakeholders, the public etc).*	Averse - Zero appetite for any decisions with high chance of repercussion for organisations' reputation.	Minimal - Appetite for risk taking limited to those events where there is no chance of any significant repercussion for the organisation	Cautious - Appetite for risk taking limited to those events where there is little chance of any significant repercussion for the organisation.	Open -Appetite to take decisions with potential to expose organisation to additional scrutiny, but only where appropriate steps are taken to minimise exposure.	Eager - Appetite to take decisions which are likely to bring additional Governmental / organisational scrutiny only where potential benefits outweigh risks.
Environment *The surroundings or conditions in which a person, animal, or plant lives or operates*	Averse – Zero appetite for any decisions/activity with high chance of repercussion for the environment. The Council's net zero and sustainability targets take full priority.	Minimal – Appetite for risk taking limited to decisions/activity where there is no chance of any significant repercussion for the environment. The Council's net zero and sustainability targets are considered a priority area in the decision.	Cautious – Appetite for risk taking limited to decisions/activity where there is little chance of any significant repercussion for the environment. The Council's net zero and sustainability targets are considered a priority.	Open – Open to the possible risks to the environment but only where appropriate steps are taken to minimise harm. The Council's net zero and sustainability targets are considered as a priority but balanced with other priorities.	Eager – Prepared to make decisions that will harm the environment but only when the positives will outweigh the environmental negatives. The Council's net zero and sustainability targets are considered but not prioritised.

Appendix 2: Strategic Risk Appetite – Risk Appetite Policy Statement

This statement supports members and officers in decision making by setting out where Cabinet is comfortable accepting different levels of risk and where risk is unacceptable. The council's current overall risk appetite is defined below (see table below for definitions and statement).

Risk Appetite	Definitions and Summary Statement
Averse	'Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognising that these will have little or no potential for reward/return.'
Minimal	'Willing to accept some low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return.'
Cautious	**'Tending always towards exposure to only modest levels of risk in order to achieve acceptable outcomes.'** The council's current overall risk appetite in the context of its Delivery Plan and the current economic climate, is defined as cautious, with an openness to risk in some areas where they directly support the pursuit of the Council's priorities and the impacts have been properly explored and understood. The key risks to the Council have been identified as those that would impact successful delivery of its overall strategy, through the Delivery Plan and the Council's financial stability. The Council will seek to deliver its priorities within agreed timescales – but only with due consideration of the MTFS and the Council's ability to maintain a balanced budget. To enable the work to support the Delivery plan in a timely and efficient manner, the Council is more open to risk with regards to governance, operational service delivery, people and autonomy in decision making. The Council is willing to invest resources into innovation, developing skills and devolving non-critical decisions, where it is considered that the expected benefits to the council's operations and delivery will outweigh the negative impacts of the identified risks. Although the Council seeks to use new technology, given the associated risks both reputationally and financially there is a clear preference for the use of established / mature systems and technology and our appetite here is cautious. In terms of property investment and management the Council will take a cautious approach and will generally only support decisions where good value for money or good certainty of a positive return is achieved. A cautious approach will also be taken to protecting the Council's reputation, where the appetite for risk taking is limited to those events where the chance of any significant repercussions has been minimised. This is also the case for the environment, where the appetite for risk taking is limited to decisions/activity where there is little chance of any significant repercussion for the environment. The Council's net zero and sustainability targets are considered a priority. For general matters of compliance, whether that be legal or data management, the Council takes a minimal to cautious approach, seeking a good level of compliance and wanting to be confident of its ability to defend itself against challenge.
Open	'Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.'
Eager	'Eager to seek original/creative/pioneering delivery options and to accept the associated substantial risk levels in order to secure successful outcomes and meaningful reward/return.'