

**RISK MANAGEMENT  
POLICY AND STRATEGY  
2023 - 2025**

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## RISK MANAGEMENT POLICY STATEMENT

### 1. DEFINITION OF RISK MANAGEMENT

“All activities of an organisation involve risks. Risk management aids decision making by taking account of uncertainty and its effect on achieving objectives and assessing the need for any actions”. To control the risks an appropriate risk management process should be in place which requires “identification and analysis of risks, evaluating their likelihood and potential impact to determine the most effective methods of controlling them, or responding to them. It is a means of maximising opportunities and minimising the costs and disruption to an organisation caused by undesired events”.

### 2. POLICY STATEMENT

The Council recognises that it has a responsibility to reduce and control risks effectively in order to manage its assets and liabilities, protect its employees and community against potential losses, minimise uncertainty in achieving its goals and objectives and maximise the opportunities to achieve its vision.

The Council is aware that risks can never be eliminated fully and it has in place a strategy that provides a structured, systematic and focused approach to managing risk. However, risk management is not about being ‘risk averse’, it is about being ‘risk aware’. Some amount of risk taking is inevitable and necessary if the Council is to achieve its objectives. By being ‘risk aware’, the Council is in a better position to avoid threats, take advantage of opportunities and ensure its objectives and goals are realised.

Risk management is an integral part of the Council’s corporate governance arrangements and has been built into the management processes as part of the Council’s overall framework to deliver continuous improvement.

### 3. OBJECTIVES

The objectives of the Council’s risk management strategy are to: -

- Effectively manage potential threats and opportunities to the Council achieving its strategic objectives;
- Minimise the impact and/or likelihood of risks occurring in order to prevent death, injury, damage and losses, and reduce the cost of risk;
- Minimise the impact and/or likelihood of risks that could damage the reputation of and public confidence in the council;
- Raise awareness of risk management to all members and staff, making it an integral part of their thinking and actions and integrate risk management into the culture of the Council and its processes;
- Ensure a robust framework is in place to identify, assess and manage the risks facing the Council;
- Anticipate and respond to changing social, economic, environmental and legislative requirements;
- Inform policy and operational decisions by identifying risks and their likely impact and thereby improve use of resources.

These objectives will be achieved by: -

- Establishing clear roles, responsibilities and reporting lines within the Council for risk management;
- Maintaining risk registers at Strategic and Service levels, with risks linked to the Council's strategic, operational and partnership objectives;
- Reporting of risks to Service Management, Assistant Director Delivery Group (ADDG), Single Leadership Team (SLT) and the Audit Panel to ensure risk management is an integral part of Council management and decision-making;
- Ensuring the knowledge and skills of those engaged with the risk management process meet best practice by providing risk management training and awareness sessions;
- Purchasing insurance for those risks, which cannot be avoided or reduced further, always retaining risk where this is economically attractive;
- Effective communication with, and the active involvement of, employees in the risk management process, and
- Monitoring arrangements on an ongoing basis.

The Risk Management Strategy details how the above points are managed and implemented within the Council.

#### **4. RESPONSIBILITY FOR RISK MANAGEMENT**

The Council recognises that it is the responsibility of all members and employees to have regard for risk in carrying out their duties. If uncontrolled, risk can result in a drain on resources that could better be directed to front line service provision and to the meeting of the Council's objectives and community needs.

# RISK MANAGEMENT STRATEGY

## 1. INTRODUCTION

The Council provides a wide range of services. It is important that risks are managed effectively to prevent death, injury, operational disruption, reputational damage, and protect and preserve our assets from loss or damage that may affect our ability to provide the services to the residents of the Borough.

The aim of this Risk Management Strategy is to provide an effective framework whereby, having identified and evaluated its risks, the Council can design and implement appropriate measures to reduce the impact of those risks, where it would be cost-effective to do so. The explicit and measured acceptance of residual risk represents the Council's risk appetite; the objective is not to eliminate risk totally from service delivery and central support activities but to manage them.

The following methodology describes how to manage the threats and enhance the opportunities to support the efficient achievement of the aims and objectives of the Council: -

- Identify all potential areas of loss;
- Analyse the likelihoods and impacts of these risks;
- Work out how to mitigate or control the potential losses; and
- Continually review what is done to make sure actions are effective.

## 2. THE BENEFITS OF RISK MANAGEMENT

Effective risk management will deliver a number of tangible and intangible benefits to individual services and to the Council as a whole: -

- **Improved strategic management**
  - Greater ability to deliver against objectives and targets
- **Improved operational management**
  - Reduction in interruptions to service delivery
  - Reduction in managerial time spent dealing with the consequences of a risk event having occurred
  - Improved health and safety of those employees and those affected by the Council's undertakings
  - Increased effectiveness of change projects and programmes
- **Improved financial management**
  - Better informed financial decision making
  - Enhanced financial control
  - Reduction in financial costs associated with losses due to service interruption, compensation payments and litigation etc.
  - Reduction in insurance premiums
- **Improved customer services**
  - Minimal service disruption to customers and a positive external image as a result of all of the above.

### 3. THE RISK MANAGEMENT PROCESS

The purpose of the strategy is to ensure a consistent and structured approach to risk management across the whole Council and that the objectives identified in the Risk Management Policy are achieved. This will be delivered by the following: -

#### 3.1 Roles and Responsibilities

Identifying and allocating roles and responsibilities for Risk Management is essential if the strategy is to be developed, implemented, embedded and reviewed effectively. All roles are outlined in **Appendix A**.

#### 3.2 Arrangements for Managing Risks

To manage risks effectively, they need to be systematically identified, analysed, controlled and monitored. The Risk Management Guidelines including the Risk Register Template are detailed in **Appendix B** but a summary of the Council's arrangements is as below.

**Risk Identification** - Risk cannot be managed unless it is first identified. The aim of risk identification is to identify possible risks that may affect, either negatively or positively, the objectives of the business. Answering the following questions identifies the risk: What can happen? Why can it happen? What are the risks of doing/not doing something?

**Risk Assessment and Prioritisation** - The risk analysis step will assist in determining which risks have a greater consequence or impact than others, which allows senior management to focus resources on those risks that would significantly impact the Council. Risk analysis involves combining the possible consequences, or impact, of an event, with the likelihood of that event occurring. The result is a 'level of risk'.

**Risk Scoring** - The methodology for scoring individual risks can be found at Appendix B.

**Actions to Mitigate the Risk** - This step is about deciding whether risks are acceptable or need treatment.

**Risk Acceptance** - A risk may be accepted for the following reasons:

##### Tolerate the risk:

- The cost of treatment far exceeds the benefit, so that acceptance is the only option
- The level of the risk is so low that specific treatment is not appropriate with available resources
- The risk is such that there is no treatment available, for example this action is common for large external risks for which the Council has little or no control.

NB Even when these risks are tolerated, they should still be monitored because future changes may occur that make the risk no longer tolerable.

**Treat the risk** - Risk treatment involves identifying options for treating or controlling risk, in order to either reduce or eliminate negative consequences, or to reduce the likelihood of an adverse occurrence. When implementing the mitigating actions, it is important to ensure that adequate resources are available, a timeframe has been defined and responsibilities have been assigned for monitoring progress against the actions. Escalation to SLT may be required if these are out of your control or need to be shared with other services. Most strategic and directorate risks are examples of this.

**Transfer the Risk** - Transference is a risk management strategy which involves the transfer

of the impact and management of the risk to someone else. Purchasing insurance is a common example of transferring risk from an individual or entity to an insurance company.

**Terminate the risk** - Terminating Risk is the simplest and most often ignored method of dealing with risk. It is the approach that should be most favoured where possible and simply involves risk elimination. This can be done by altering an inherently risky process or practice to remove the risk. The same can be used when reviewing practices and processes in all areas of the business. An example of this would be stopping a high-risk operation or activity.

If an item presents a risk and can be changed or removed without it materially affecting the business, then removing the risk should be the first option considered; rather than attempting to treat, tolerate or transfer it.

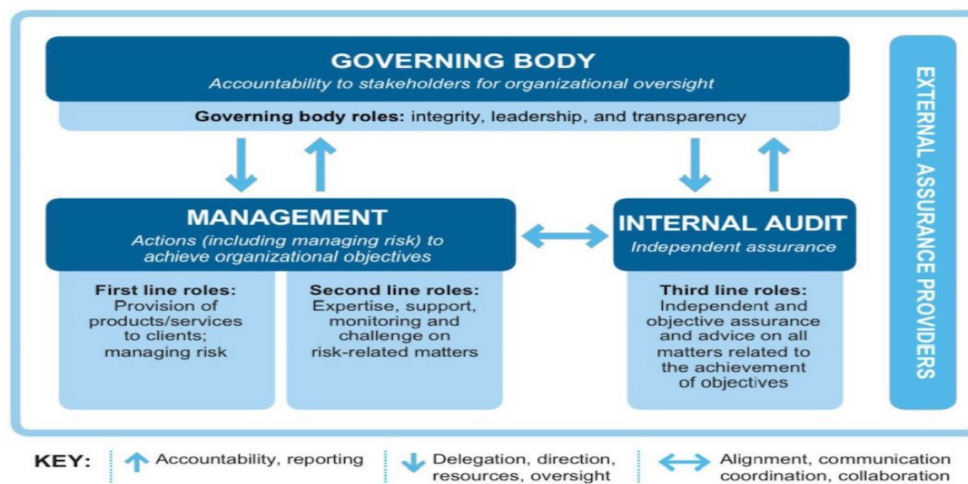
### Three Lines of Assurance

Strategic and directorate risk registers are produced by assessing the risk factors that could potentially impact on the Council's ability to deliver its strategic plan. This assessment ensures that there is the right balance of measures in place to control the potential risk to the Council's objectives. Risks are assessed based on their likelihood of occurrence and potential impact.

By multiplying these scores together, each risk receives a score. The 3 lines of assurance against each risk are then considered as follows:

- 1st line – the day to day operations of the internal control systems to mitigate the risk.
- 2nd line – management oversight and monitoring of controls in place to mitigate the risk.
- 3rd line – independent assurance from internal / external audit and other assurance sources of controls in place to mitigate the risk (e.g. OFSTED, CQC).

### The IIA's Three Lines Model



Where risks are outside of the risk appetite or target, they are required to be actively managed to bring them back within tolerance or target.

### 3.3 Monitoring Risks

Progress in managing risks will be monitored and reported on by the following: -

- **Assurance Team**

The risks recorded in the Risk Register Templates will be reviewed and challenged by the Assurance Team to ensure that risks have been captured in relation to the specific service area or unit and also to identify any potential areas, which require support or training.

- **SLT and ADDG**  
SLT and ADDG will receive quarterly reports on the Strategic Risk Register and any significant operational/service risks and call managers to account to challenge and learn from risk management experience across the council. This is informed by directorate risk champions who form the Strategic Risk Champions Group.
- **Audit Panel**  
The Audit Panel receives quarterly progress reports including the Strategic Risk Register providing an update for members on risk management activities to enable them to challenge the risk management process in place in order to ensure that risks are being properly managed across the Council.

Internal Audit will carry out reviews of the Council's risk management arrangements to provide independent assurance as to their effectiveness. In view of the Head of Assurances key role in risk management, the audit will be undertaken by an Independent of the audit function.

Internal Audit has adopted a risk based approach and is therefore giving assurance that risks are being identified, assessed and managed constantly throughout the year whilst delivering the Annual Audit Plan. Their work is identified in the 3<sup>rd</sup> line of assurance.

The Head of Assurance reviews the Strategic Risk Register as part of the audit planning process to ensure that the strategic risks are used to inform the Internal Audit Plan.

### **3.4 Training and Communication**

Training in risk management methodology and techniques will be provided to those officers with direct responsibility for and involvement in leading and directing the risk management process across the Council, i.e. representatives from: -

- Assurance Team
- Corporate Risk Champions Group
- Assistant Director Group
- Service Unit Managers
- Single Leadership Team

Risk Management training will be provided for all managers/officers responsible for managing risks via risk workshops and/or by one to one support sessions to further embed the risk management process.

The Assurance function will also provide advice and support to managers, for specific projects or undertakings to ensure the management of risks and discuss any implications for insurance cover as some policies have specific requirements that have to be adhered to.

Risk awareness is a built in part of the audit process as all audits are undertaken on a risk basis and therefore the management of risks is a continual process.

Risk Management awareness sessions for all members and in particular the members of the Audit Panel will be reviewed and delivered in consultation with Training and Organisational Development.



### 3.5 Review of Risk Management Strategy

This strategy will be reviewed biennially to ensure that it is still relevant, meets the requirements of the Council, its staffing structures and services and takes into account the dynamic nature of risk management.

## 4. RISK APPETITE

Risk appetite can be defined as “the amount and type of risk that an organisation is prepared to seek, accept or tolerate”.

Generally organisational attitudes to risk, including public sector organisations, can be said to range across a spectrum of attitudes and appetites.

It is important to note that risk appetites may often vary across different types of risk at different times, and may even vary across directorates. An organisation’s overall risk appetite can often be a composite or aggregate of these different risk appetites or be individual dependent on the risk.

The Council’s current approach to risk appetite is set out in the appetite statement at **Appendix 3**.

## 5. RISK MATURITY

The effectiveness of the Council’s risk management systems, in identifying and managing their principal business risks, can be assessed against the five levels of risk maturity. These are as follows.

- Risk Naïve - No formal approach developed for risk management.
- Risk Aware - Scattered silo based approach to risk management.
- Risk Defined - Strategy and policies in place and communicated. Risk appetite defined.
- Risk Managed - Enterprise wide approach to risk management developed and communicated.
- Risk Enabled - Risk management and internal control fully embedded in the operations.

The Council’s aim is to be risk managed.

## 6. PARTNERSHIPS

Working in partnership usually means that organisations will commit some level of resources, which may be significant, in terms of officer time or direct financial funding to develop and subsequently deliver the desired outcome.

Due to this level of commitment partnerships need to carefully consider the allocation of risks and ensure that these are duly recorded in case of future challenge. The Risk Register Template can be adopted for this purpose.

By using an identified Risk Management Strategy within a partnership, this will allow the risks of the Council to be mitigated as much as possible and support the objectives of the partnership towards a successful outcome.

## 7. INSURANCE COVER

The Assurance function procures insurance cover on behalf of the Council to allow the transfer of certain risks. Consultation takes place annually at the renewal stage with appropriate service area officers to ensure that the covers required are still relevant and that asset valuations included in the schedules are kept up to date and remain appropriate.

Advice and guidance is provided to managers/officers as and when required in relation to insurance risk transfer.

## **8. CONCLUSION**

Risk Management is an important aspect to the effective overall management of the Council. It can benefit the achievement of objectives, whilst protecting the Council and community against preventable hazards.

In addition to offering cost savings it can also encourage innovation with undertakings on the basis that risks are identified and are reduced to acceptable levels, to ensure positive outcomes can be achieved.

Many of the skills and resources needed to manage risk effectively already exist within the Council. This strategy offers a structured approach, to assist with the process and support the application of the risk management methodology.

## ROLES AND RESPONSIBILITIES

<u>Group</u>	<u>Role</u>
Elected Members of the Council	<p>All Members have strategic responsibility for risk management as part of their responsibility for governing the delivery of local services. The Council approves the Annual Governance Statement which includes commentary on risk management, how it has been applied during the year and how effective the arrangements are.</p> <p>Members should seek to explore and understand service risks in the process of formulating policy and decision making.</p> <p>All decisions put before Members include information on the risk impact of making these decisions, and the risk of not making the decision.</p>
Audit Panel	<p>Have overall responsibility for the direction of Risk Management Strategy.</p> <p>Members have responsibility for embedding risk management throughout the Council, including developing, approving, and challenging the Risk Management Framework.</p> <p>Approve the Risk Management Policy &amp; Strategy.</p> <p>Consider the effectiveness of the Council's risk management arrangements as part of seeking assurance on the overall governance and control environment.</p> <p>Seek assurance that action has been taken on risk-related issues identified by Internal and External Audit.</p> <p>Ensure that the Council's Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.</p> <p>Attend risk management training</p>
Chief Executive	<p>Has the responsibility for maintaining a sound system of internal control which manages the key risks to the achievement of the Council's policies, aims and objectives. Also has a key role to play in promoting and supporting the Risk Management Strategy.</p>
Single Leadership Team	<p>Contribute towards the identification and management of strategic and cross cutting opportunities and threats facing the Council.</p> <p>Receive and consider reports on key strategic risks, including the Annual Governance Statement</p> <p>Review and approve the Strategic Risk Register on a regular basis.</p> <p>Promote the integration of risk management principles and risk awareness into the culture of the Council and its partners.</p>

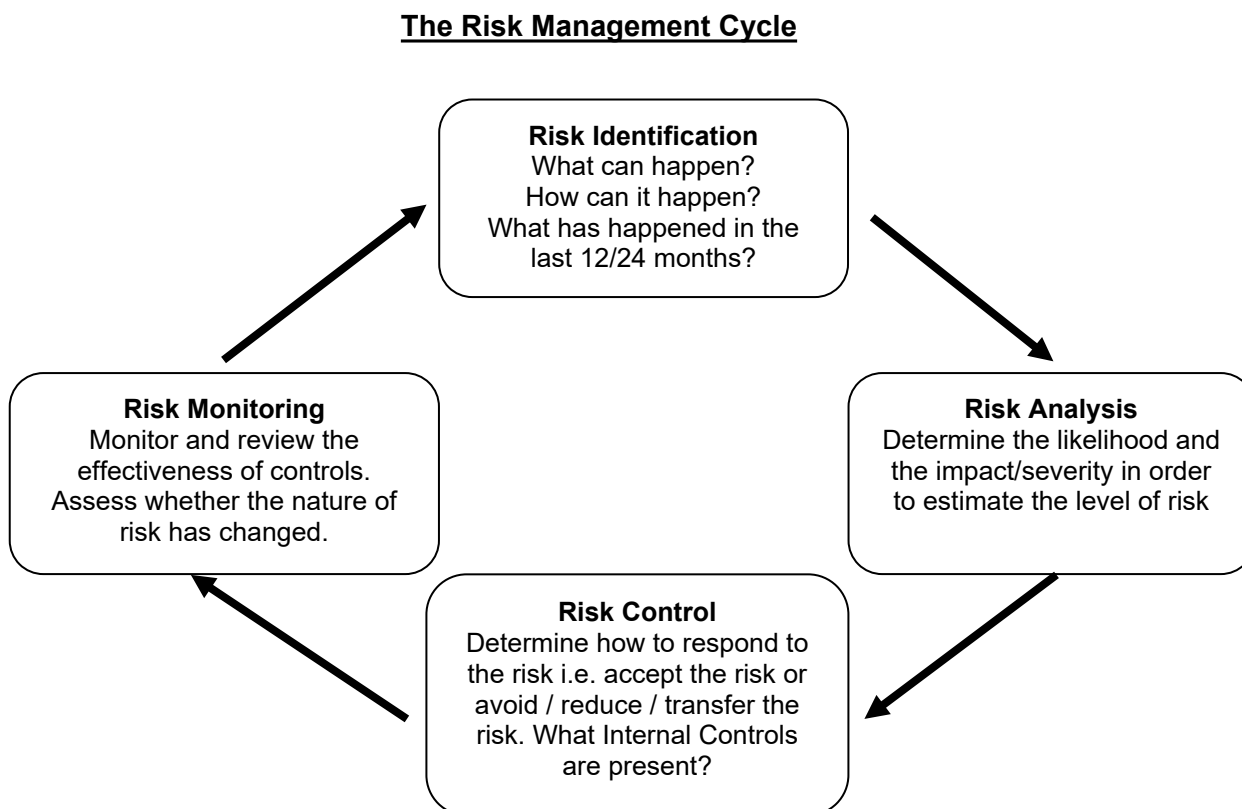
<u>Group</u>	<u>Role</u>
Assistant Director Delivery Group	<p>Own and address the management of Directorate risks.</p> <p>Ensure the risk management framework is operational and embedded within each Directorate.</p> <p>Escalate relevant risk up to the SLT for inclusion in the strategic risk register.</p> <p>Ensure risk management is a regular item on directorate team meetings.</p> <p>Nominate a Risk Champion from the Directorate Management Team to sit on the Strategic Risk Management Group.</p>
Heads of Service / Service Unit Managers	<p>Identify, analyse, and profile service risks, including new and emerging risks.</p> <p>Regularly update and maintain service and project risk profiles and risk registers.</p> <p>Ensure risk management is a regular item at team meetings.</p> <p>Maintain awareness of and promote the approved risk management policy and strategy to all staff and partners, where relevant.</p> <p>Ensure that risk management is incorporated into service plans, business plans and performance management.</p> <p>Ensure compliance with all risk management procedures which are integrated within corporate procedures and strategies.</p> <p>Own and address the management of risks on the Departmental Risk Registers.</p> <p>Ensure high risks are raised with the Director and considered for the Directorate Risk Register.</p> <p>Development, implementation, and review of mitigation plans.</p> <p>Identify training needs and ensure these are met.</p> <p>Encourage staff to develop and maintain a positive risk management approach.</p>
Head of Assurance, Risk & Insurance and Information Governance Manager	<p>To advise where necessary all the above groups.</p> <p>To maintain the corporate policies and procedures in respect of risk management.</p> <p>To facilitate the reporting of progress in respect of risk management.</p> <p>To report to the Audit Panel on the Council's Risk Management arrangements and via the Annual Governance Statement.</p>
Internal Audit	<p>Provide an independent review of the corporate approach to risk management and compliance with it.</p> <p>Contribute to the accuracy and integrity of the strategic risk register (as part of the risk-based approach to audit), with particular regard to the effectiveness of mitigating actions and fraud risk.</p> <p>Uses the Council's risk registers to formulate the annual audit plan and employs a risk-based approach to auditing.</p>

<u>Group</u>	<u>Role</u>
Strategic Risk Management Group	<p>Have oversight of the arrangements in place in respect of the management of all risks on the Strategic Risk Register and Directorate Risk Registers.</p> <p>To review and make recommendations to Directorate, ADDG and SLT in respect of risk management.</p> <p>To oversee and agree changes and additions to existing corporate policies, guidelines, and procedures in respect of risk management.</p>
All Employees	<p>Maintain an awareness of risks and contribute to the control / action process as appropriate.</p> <p>Complete all allocated risk management training.</p>

## RISK MANAGEMENT GUIDELINES

### 1 RISK MANAGEMENT CYCLE

1.1 The 4 stages in the risk management cycle are illustrated in the diagram below:



### 2 RISK REGISTER

2.1 A risk register template has been developed in Excel for completion and it is attached below.



Copy of Resources  
Directorate Risk Regis

2.2 The Risk Register requires the following:

- Risk link to the corporate / directorate plan
- Reference number for identification
- Risk description
- Risk scores (inherent, residual and target)
- Risk owner
- The three lines of assurance against the risk
- Actions, responsibilities and timescales where the risk is not at target, or within appetite.
- Red, Amber, Green (RAG) rating of current risk status.

2.3 The risk rating is arrived at by multiplying the impact score by the likelihood score. The cell within the spreadsheet is formatted so that the cell will be colour coded as shown below.

			IMPACT				
			Insignificant (Negligible) 1	Minor 2	Medium 3	Major 4	Major Disaster 5
LIKELIHOOD	Almost Certain	5	5	10	15	20	25
	Very Likely	4	4	8	12	16	20
	Likely	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Very Low	1	1	2	3	4	5

### Inherent, Residual and Target Risk Scores

These must be captured for every risk.

The Inherent Risk Rating is the gross score calculated on the basis that no control measures have been put in place, or that all controls are failing.

The Residual Risk Rating is the net score taking the positive effect of all current existing controls into consideration.

The Target Risk Rating is the net score to bring the risk within appetite i.e. where the risk score needs to be had all mitigations been effective.

The reduction in the Residual Risk Rating in comparison to the Inherent Risk Rating is a measure of the effectiveness of risk management controls.

## 2.4 Risk Scoring Descriptors

Guidance on how to assess and determine which score to assign to both the impact and likelihood of each risk is provided below.

### Impact Scores

1	Very Low	No injuries beyond 'first aid' level, No significant disruption to service capability, Unlikely to cause any adverse publicity, Low impact on a strategic objective, Low impact on an operational objective, Can be easily remedied, Low stakeholder concern, Damage to an individual's property without any injury.
2	Minor Impact	Minor disruption to the achievement of a strategic objective, Minor disruption to the achievement of an operational objective, Short term effect which may be expensive to recover from. Creates minor stakeholder concern, Minor injury to an individual or several people.
3	Moderate Impact	Medical treatment required - long-term injury, Short-term loss disruption of service capability, Needs careful public relations, No more than 10 people involved, High potential for complaint, litigation possible, Breaches of regulations/standards, Delays the achievement of a strategic objective, Delays the achievement of an operational objective, Medium term effect on recovery, Creates moderate stakeholder concern, Severe injury to an individual or several people.

4	High Impact	Extensive, permanent injuries, long-term sick, Medium-term loss of partnership capability, Adverse local publicity, Up to 50 people involved, Litigation to be expected, Breaches of the law punishable by fines only, Major delay in the achievement of a strategic objective, Major delay in the achievement of significant operational objective(s), Significant delays in recovery. Creates significant stakeholder concern, Major injury to an individual or several people.
5	Severe Impact	Death, Adverse national publicity, More than 50 people involved/affected, Litigation almost certain and difficult to defend, Breaches of law punishable with imprisonment, Prevents the achievement of a strategic objective, Prevents the achievement of significant operational objective(s), Very difficult and possibly long term recovery, Creates major stakeholder concern.

### Likelihood Scores

Grade Descriptor	1	2	3	4	5
Percentage	<15%	15-39%	40-59%	60-79%	>80%
Probability	Only occur in exceptional circumstances	Unlikely to occur	Reasonable chance of occurring	More likely to occur than not	Almost certain or happening now

- 2.5 Updated copies of Risk Registers need to [risk.management@tameside.gov.uk](mailto:risk.management@tameside.gov.uk) so that a central depository can be maintained.
- 2.5 Risk Registers need to be regularly reviewed once completed to ensure they are still relevant and to capture any changes to risk to risk rating or the controls in place. Where proposed actions are identified to further mitigate a risk these need to be monitored more closely to ensure the desired outcome is achieved.
- 2.6 Risk registers relating to specific programmes or projects (including service redesigns) need to be revisited on a regular basis to ensure that the risks are managed. These risks will be captured by the accepted programme / project approach engaged for the project e.g. Prince 2.

### 3 SUPPORT AVAILABLE

- 3.1 Support and further guidance on preparation of risk registers, or any aspect of risk management, is available from the Assurance Service.
- 3.2 Support can be tailored to meet the specific needs of individual Services, teams and managers. To discuss your requirements please contact the Risk, Insurance and Information Governance Team on [risk.management@tameside.gov.uk](mailto:risk.management@tameside.gov.uk).



## RISK APPETITE STATEMENT

### Risk Appetite Definition

Risk appetite is best summarised as “*the amount and type of risk the Council is willing to secure its strategic objectives*”.

### Why is Risk Appetite Important?

Clearly defining the council’s appetite for risk provides guidance to all officers, managers, members and partners on the level of risk which can be accepted by the council and the level of risk which needs to be avoided or reduced by way of mitigation as a priority in the pursuit of our objectives.

The benefits of adopting a risk appetite include:

- Supporting informed decision-making
- Reducing uncertainty
- Improving consistency across governance mechanisms and decision-making;
- Supporting performance improvement
- Focusing on priority areas within an organisation
- Informing spending review and resource prioritisation processes.

### Risk Appetite Statement

The Council aims to be risk aware, but not overly risk averse and to actively manage business risks to protect and grow the organisation. To deliver its strategic aims, the organisation recognises that it will have to take and manage certain risks.

Risk Appetite	Description
<b>Averse</b>	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
<b>Minimalist</b>	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
<b>Cautious</b>	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where the Council has identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
<b>Open</b>	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
<b>Eager</b>	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

Appetite levels will be varying, for example, for certain risk categories our risk appetite will be cautious whereas the Council may be open/eager for risk and willing to carry risk in the pursuit of important objectives. The risk appetite for each category will influence the acceptance of a particular risk and the extent of the mitigation that is required.

The Council’s upper limit appetite levels for these principal categories of risk are as follows:

- **Governance Risks** – The council has a **Minimalist** appetite for risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.
- **Service Provision/Business Continuity Risks** – The council has a **Cautious** appetite for Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.
- **Legal & Regulatory risks** – The council has a **Minimalist** appetite for risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that result in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property).
- **Financial risks** – The council has a **Cautious** appetite for risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.
- **Project/Programme risks** – The council has a **Cautious/Open** appetite for risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.
- **Reputational risks** – The council has a **Minimalist** appetite for risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations