

# **Risk Management Policy and Strategy v2**

**Updated: November 2020**

**Approved by Cabinet February 2021**

**Next Review February 2022**

## **Risk Management Policy Statement**

St Albans City and District Council recognises risk management is a vital activity that both underpins and forms part of our vision, and key outcomes as set out in the Corporate Plan.

Risk is present in everything we do. The aim of our policy and strategy is to identify, assess and manage the key areas of risk on a pro-active basis. Risk needs to be managed rather than avoided and we recognise that effective risk management can provide opportunities. The Council has an open appetite for risk. Consideration of risk should not stifle innovation.

We seek to embed risk management into the culture of the organisation and the behaviour of our people. All processes, projects and strategic decisions will consider risk and opportunity, including procurement and contracting. We will seek to ensure, as far as possible, all partnerships and third-party relationships are fully compliant with the risk management policy and strategy of the Council.

This risk management Policy Statement and supporting documentation and processes are an integrated framework that supports the Council in the effective management of risk and opportunity.

The aim of our risk management framework is to

- Be fit for purpose
- Be representative of our various activities
- Make best use of our skills and capabilities to ensure we can deliver our objectives.

For risk management to be most effective and become an enabling tool, we will ensure that we have a robust, consistent, communicated and formalised process across the Council.

To gain a clear understanding of which risks will threaten the Council's ability to achieve its objectives, a risk appetite statement (the level of risk which Chief Executive's Board considers acceptable for the organisation to be exposed to) has been defined.

In implementing our Risk Management Strategy, we seek to assure our stakeholders (residents, customers, business, councillors, colleagues, partners, contractors) that the identification and management of risk and opportunities is integral to the delivery of our strategy and related objectives.

We will involve and empower all our staff to identify and manage risk. Management of risk activity will be regularly supported through discussion and appropriate action by Chief Executive's Board. This will include a detailed review and confirmation of the significant risks and opportunities, evaluating their mitigation strategies and establishing further supporting actions to manage them to an acceptable level.

Responsible: Chief Executive's Board

Accountable: Chief Executive

Signed: Amanda Foley

## Risk Management Strategy

The purpose of the strategy is to define our approach so that there is consistency and a shared understanding between staff, councillors and key stakeholders. This approach aims to provide a practical, structured and robust way of identifying, evaluating and managing risks and opportunities.

The Council's approach to opportunity management will be developed over the coming months and will follow many of the principles set out in this strategy.

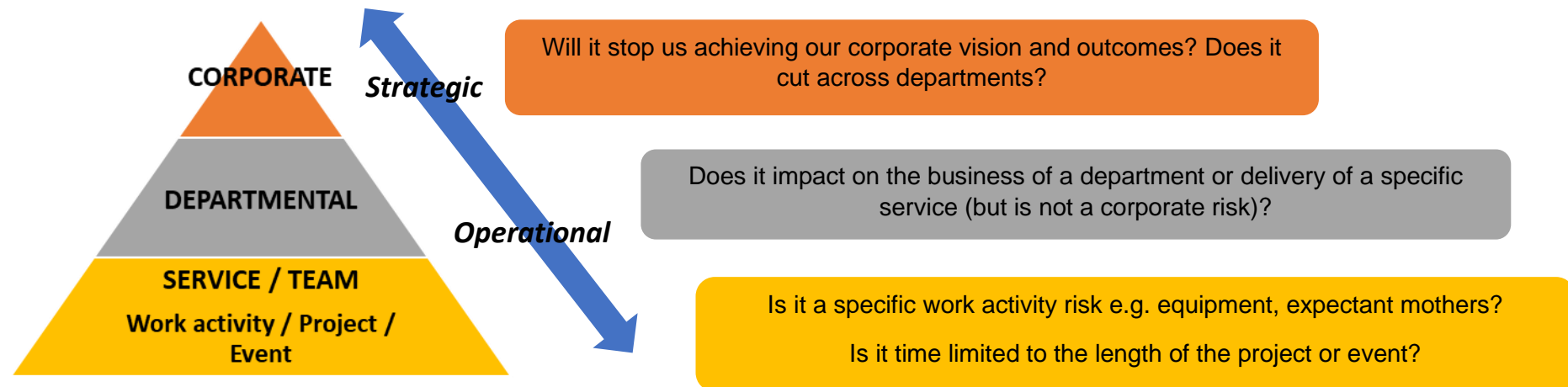
The Council is a member of ALARM (the Association of Local Authority Risk Managers) and our approach follows its recommended processes. Through the ALARM network, the Council:

- learns from best practice, and gets insight into the risks other councils are facing
- provides training to senior staff with risk management responsibilities.

The strategy is reviewed every year as part of business planning to make sure that it meets current organisational needs and best practice and is approved by Cabinet. Audit Committee carries out an annual review of how risk is being managed in the Council, and reviews corporate and departmental registers through the year.

### Our risk management approach

- 1) **Define strategic and operational risks** – Our 'corporate' risks are the strategic level risks. Our operational risks include departmental, service or team risks. Our approach depends on which sort of risk it is.



2) **Appropriate roles, accountabilities and responsibilities** - These are assigned to the appropriate level for each sort of risk using the RACI model <http://racichart.org/the-raci-model/>.

<b>Responsible</b> for managing the risk
<b>Accountable</b> if this goes wrong – the <b>responsible</b> person(s) is delegated to manage the risk on their behalf
<b>Consulted</b> as they can tell you more about the risk – this may be a stakeholder or subject matter expert
<b>Informed</b> about how risks are being managed – usually a one-way communication

OVERALL RISK ACCOUNTABILITY:					
	CORPORATE	DEPARTMENTAL	PROJECT	EVENT	WORK BASED
<b>RESPONSIBLE</b>	Delegated lead Head of Service with assigned Strategic Principal Officer	Head of Service with assigned lead Strategic Principal Officers (or Operational PO)	Project manager	Event manager	Line manager
<b>ACCOUNTABLE</b>	Chief Executive	Head of Service	Project sponsor	Event sponsor	Service manager
<i>Process for reviewing</i>	CExB (with support from Internal Audit) quarterly Annually by CExB as part of business planning in March	HoS/SPOs at Departmental Management Team (DMT) meetings quarterly Annually by HoS/SPOs as part of business planning in March	Project team meetings	Event management team meetings	Team brief, one to one meetings  As in Safety Policy procedures
<b>CONSULTED</b>	Leader, Portfolio Holders, managers, staff	Portfolio Holder, staff, stakeholders, councillors	Project team, service users and stakeholders	Event team	Staff

OVERALL RISK ACCOUNTABILITY:					
	CORPORATE	DEPARTMENTAL	PROJECT	EVENT	WORK BASED
<b>INFORMED</b> <i>Reported to</i>	Resources Portfolio Holder - by exception where the inherent or residual risk level has gone up to high (red)	Relevant Portfolio Holder and CExB - by exception quarterly - all high (red) residual risks, significant changes up or down level and new risks	Project team or board meetings, line management arrangements, relevant Portfolio Holder (high residual risks)	Event management meetings, line management arrangements, relevant Portfolio Holder (high residual risks)	Line management arrangements
<b>INFORMED</b> <i>Reported to - audit and challenge</i>	Internal Audit - annually (March) - high inherent or residual scores reviewed as part of the annual Internal Audit Plan - and as requested by CExB Audit Committee – annual review	Internal Audit - annually (March) - high inherent or residual scores reviewed as part of the annual Internal Audit Plan - and as requested by CExB Audit Committee - annual review	Service specific Scrutiny Committee as issues identified	Service specific Scrutiny Committee as issues identified	Internal Audit and Audit Committee as issues identified

## Roles and Responsibilities

Who	Key Roles & Responsibilities	Report Type	Frequency
Council	<ul style="list-style-type: none"> <li>Receive Cabinet minutes</li> </ul>		<ul style="list-style-type: none"> <li>Annual or as required</li> </ul>
Cabinet (supported by Lead Officer responsible for the administration of Risk Management)	<ul style="list-style-type: none"> <li>Agree the Risk and Opportunity Management Policy and Strategy</li> <li>Hold the political responsibility for Risk and Opportunity Management within each individual portfolio</li> <li>Identify a lead Portfolio Holder for Risk and Opportunity Management</li> <li>Receive reports, recommendations and advice from Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Opportunity Management Policy and Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Annually or as required</li> </ul>
Audit Committee (supported by Lead	<ul style="list-style-type: none"> <li>Oversee and challenge assurance and Risk and Opportunity Management arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Review of Policy, Strategy and Framework</li> <li>Receive quarterly updates on the Corporate and Risk</li> </ul>	<ul style="list-style-type: none"> <li>Annual</li> <li>Quarterly</li> </ul>

Who	Key Roles & Responsibilities	Report Type	Frequency
Officer responsible for the administration of Risk Management)	<ul style="list-style-type: none"> <li>• Provide feedback on Strategy and Policy to Cabinet</li> </ul>	and Opportunities Register and annual updates on all Departmental Risk and Opportunity registers with a maximum of two departments reviewed each quarter <ul style="list-style-type: none"> <li>• Receive assurance on effectiveness of risk and opportunity management</li> </ul>	<ul style="list-style-type: none"> <li>• Annual</li> </ul>
CExB (risk led by COC)	<ul style="list-style-type: none"> <li>• Strategic leadership group for risk and opportunity management</li> <li>• Agree the risk appetite for the organisation</li> <li>• Oversee the Risk and Opportunity Management Policy and Strategy</li> <li>• Responsible for effectiveness of risk and opportunity and assurance arrangements and any management or mitigation - sign off on assurance map</li> <li>• Quarterly monitoring of corporate risks and opportunities and associated action plans</li> <li>• Allocate appropriate resources to address top risks and opportunities</li> <li>• Create an environment and culture where Risk and Opportunity Management is embedded and facilitated by the organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Review of Risk and Opportunity Policy and Strategy</li> <li>• Reviews of Corporate and Departmental Risk and Opportunity Registers</li> <li>• Review/benchmarking of Risk and Opportunity Management</li> </ul>	<ul style="list-style-type: none"> <li>• Annual</li> <li>• Quarterly</li> <li>• Annual</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• Introduce Assurance Mapping to ensure Audit Plan is aligned with top risks</li> <li>• Review and challenge effectiveness of Risk and Opportunity Policy, Strategy and Framework</li> </ul>	<ul style="list-style-type: none"> <li>• Review of Risk and Opportunity Policy, Strategy and for Audit Committee</li> <li>• Review progress of planned actions and effectiveness of mitigations for Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Annual</li> <li>• Annual</li> </ul>
Lead Officer responsible for the administration of Risk Management  (Currently the Senior Internal Auditor)	<ul style="list-style-type: none"> <li>• Establish Risk and Opportunity Management Policy, Strategy and Framework</li> <li>• Maintenance of Corporate Risk and Opportunity Register</li> <li>• Review/benchmarking of risk and opportunity management</li> <li>• Quality check of registers and sharing best practice</li> <li>• Advising/supporting risk managers</li> <li>• Provide the link between risk management and other related disciplines e.g. insurance, business continuity, emergency planning and health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Review of Risk and Opportunity Policy, Strategy and Framework for CExB, Audit Committee and Cabinet</li> <li>• Reviews of Corporate and Departmental Risks and Opportunities Registers for CExB, Audit Committee and Cabinet</li> <li>• Review/benchmarking of Risk and Opportunity Management</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>Monthly</li> <li>• Annual</li> </ul>
Head of Service	<ul style="list-style-type: none"> <li>• Identification and monitoring of departmental and Corporate risks and opportunities</li> <li>• Escalation of corporate risks and opportunities to CExB as appropriate</li> <li>• Monitoring of high-level risks and opportunities facing the</li> </ul>	<ul style="list-style-type: none"> <li>• Review of departmental and relevant Corporate risk and opportunity registers as a standing agenda item at DMT.</li> <li>• Report to CExB on identified risks and opportunities that require consideration for escalation to the Corporate Risk and Opportunities Register</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly or as required</li> </ul>

Who	Key Roles & Responsibilities	Report Type	Frequency
	department or Council (including programme, partnership, project or service risks and opportunities) <ul style="list-style-type: none"> <li>Champion and raise awareness of benefits of Risk and Opportunity Management.</li> </ul>	<ul style="list-style-type: none"> <li>Report to Portfolio Holders and Audit Committee on high level risks and opportunities facing the department/Council</li> </ul>	
Principal Officer	<ul style="list-style-type: none"> <li>Identification, management and review of risks and opportunities within their area of responsibility</li> <li>Monitoring and escalation of risks and opportunities to Heads of Service as necessary</li> </ul>	<ul style="list-style-type: none"> <li>Review of risks and opportunities registers as a standing agenda item at team meetings</li> <li>Report to DMT on identified risks and opportunities that require consideration for escalation to the departmental or Corporate Risk and Opportunities Register</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly or as required</li> </ul>
Programme and Project Board or Project Managers	<ul style="list-style-type: none"> <li>Responsible for the identification, management and monitoring of risks and opportunities within their given projects</li> </ul>	<ul style="list-style-type: none"> <li>Review of risks and opportunities registers as a standing agenda item at project/programme boards</li> <li>Report on the management of risks and opportunities and escalation of high-level risks and opportunities as necessary</li> </ul>	<ul style="list-style-type: none"> <li>Monthly minimum</li> </ul>
All employees	<ul style="list-style-type: none"> <li>Consider and manage risk effectively in their job and report hazards, risks or opportunities to their manager or other responsible team/officer</li> </ul>	<ul style="list-style-type: none"> <li>Report incidents, risks and opportunities following Risk and Opportunity Management Policy and Strategy</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> </ul>

**3) Central to business management** - The cycle of identifying, evaluating, managing and reviewing risk is an active and ongoing part of our business processes. Reviewing corporate and departmental risks is a key part of annual business planning, to make sure that these reflect new work plans and projects. This is also supported by a regular quarterly review of the risk registers. Risk management is also part of our project and event management approach.

Below are the main ways that new, emerging and changing risks are identified.

CORPORATE	DEPARTMENTAL	OTHER SERVICE/TEAM RISKS
<ul style="list-style-type: none"> <li>Standing Risk agenda item for weekly Chief Executive's Board</li> <li>Tracker' spreadsheet of Corporate Plan projects</li> <li>Constitution/legal management controls e.g. capital works over £250,000 reported to Audit Committee</li> <li>Horizon scanning and scenario planning e.g. for elections</li> <li>Monitoring ALARM bulletins and alerts</li> <li>Other councils' top risks from ALARM Benchmarking results</li> <li>Chief Executive/Leader one to one meetings</li> </ul>	<ul style="list-style-type: none"> <li>Risk is a standing agenda item for team meetings</li> <li>One to one meetings with line manager</li> <li>Performance Conversations process</li> <li>Responsible Reporting (Whistle blowing) Policy</li> <li>Complaints discussed quarterly at Chief Executive's Board</li> <li>Consultation and engagement</li> <li>Feedback from Equalities and Sustainability Impact</li> </ul>	<ul style="list-style-type: none"> <li>Project scoping and other project meetings, and project risk registers</li> <li>Event meetings</li> <li>Consultation and engagement exercises</li> <li>Feedback from Equalities and Sustainability Impact Assessments</li> </ul>

- Portfolio Holder meetings
- Emergency and Business Continuity Planning
- Corporate Health and Safety Officer, Insurance Officer and Legal team monitor emerging issues

- Assessments
- Portfolio Holder meetings
  - Councillor contact with constituents
  - Business Continuity Planning

- Project board meetings (Change Management Board, Commercial Board etc.)

4) **Promotes a 'risk aware' not a 'risk averse' culture**– This is a behaviour identified through the Shaping our Future programme as defining the Council's agile approach and will be supported through the workforce development projects.

Raising risk awareness is supported through specific opportunities as summarised in the table above. We also recognise that risk is an opportunity to challenge what we do and to find better ways of doing things. Risk registers are available for staff to see.

<b>CORORATE</b>	G Drive:\Risk Management\
<b>DEPARTMENTAL</b>	G Drive:\Risk Management\
<b>PROJECT</b>	V Drive:\SHARED DOCUMENTS\
<b>EVENT</b>	Departmental drive or G Drive if cross- departmental
<b>WORK BASED</b>	G Drive:\Health and Safety

5) **Clear and consistent approach for identifying, assessing and recording risk** - We use a similar approach for recording and evaluating corporate, departmental and other risks as described in Appendix 1



## Appendix 1: Recording and Assessing Risk – How to Complete a Risk Register

STEP 1	STEP 2	STEP 3		STEP 4	Likelihood	Impact	STEP 5	STEP 6				Likelihood	Impact	STEP 7
Risk No.	Corporate Objective	Risk Description (Risk/Cause/Consequence)		Risk Category			Inherent Risk Score	Mitigating Controls						Residual Risk Score
Further Actions				Target Risk Rating	Chief Executive delegated to HoS (Accountable)	Risk Owner SPO (or OPO if no SPO) (Responsible)	Portfolio Holder	HoS review-ed initial and date	SPO review-ed initial and date	Changes since last quarterly review i.e. previous score, why it has changed				
Action	Completion Date	Officer responsible												
STEP 8			STEP 9		STEP 10		STEP 11		STEP 12					

### Risk register approach

The following is a step by step guide to completing a risk register.

Corporate and departmental risks are recorded as separate worksheets on one Excel risk register. This can be viewed by all staff, but editing is restricted to Chief Executive's Board, Strategic Principal Officers, Operational Principal Officers and departmental administrators. Do not duplicate corporate risks in departmental risk registers, unless there are specific

elements of a corporate risk which need tailored management by a department. Any further actions will then feed into the overall corporate risk assessment. For example, effective contract management is a corporate risk which applies to all Council contractors, but the risks associated with specific contracts will sit within the relevant department.

#### STEP 1: Risk number

Assign each risk a number to help identify risks more easily.

**STEP 2: Corporate Objective**

Select the most relevant outcome from the drop down to ensure risks are tied to the Council’s core objectives.

**STEP 3: Risk Description (Risk/Cause/Consequence)**

For each risk give a short statement describing what it is i.e. the event, its cause and effect.

**STEP 4: Risk Category**

Select the most relevant type of risk from the drop down. See Appendix 1a for examples.

**STEP 5: Evaluating the risk - Inherent Risk Score**

The ‘inherent risk score’ assumes that there are no steps in place to reduce or remove the risk. Rate the **impact** of the risk on delivering services or meeting objectives and the **likelihood** of it happening. See Appendix 1b for definitions of the rating levels.

**Risk Matrix**  $\text{Inherent Risk Score} = \text{Likelihood} \times \text{Impact}$

Catastrophic	5	10	15	20	25
Severe	4	8	12	16	20
Moderate	3	6	9	12	15
Minor	2	4	6	8	10
Low	1	2	3	4	5
<b>Impact</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Likelihood</b>	Very unlikely	Unlikely	Possible	Likely	Very likely

Risks therefore need to be specific. The corporate and departmental risk registers are set up to automatically calculate the risk score. Just enter the impact and likelihood ratings in the relevant columns.

For example, if the impact of a potential risk happening is ‘severe’ then this is given a rating of 4. If the likelihood of the risk happening is ‘possible’ then a rating of 3 is given. The score is therefore 12 (i.e. 4 times 3). This means that this particular risk (without any mitigating controls in place) is a high (red) risk.

The risks listed in the register can be prioritised based on the inherent risk score. To keep registers focused and manageable do not include any risks with an inherent risk score of less than 3.

**STEP 6: Mitigating Controls**

Consider what controls are in place to reduce or remove (mitigate) the risk. A risk can be mitigated by:

- a) reducing the likelihood of it happening
- b) reducing the impact to the Council should it happen.

**STEP 7: Evaluating the risk - Residual Risk Score**

Score the risk as described in STEP 5 to assess the level of risk left once the controls are in place. If the controls are working, this will be lower than the inherent risk score.

**STEP 8: Further Action**

These are the controls which are planned to reduce the risk. There are four main responses to a risk.

1	<b>Terminate the risk</b>	Decide to stop the activity e.g. if it is felt that the risk is too great or that the financial cost of mitigating controls was too high
2	<b>Transfer the risk</b>	Pass the risk on e.g. to an insurer or Private Finance Initiative (PFI) contractor
3	<b>Treat the risk</b>	Decide to manage the risk by putting further controls in place to reduce impact or likelihood
4	<b>Tolerate the risk</b>	Decide to accept the risk without transferring or treating it but to monitor and re-evaluate it in the future

Use the table below to plan the appropriate action for the level of risk.

Risk Level	Tolerability	Comments
1 – 4	Acceptable	No further action required, but ensure controls are maintained
5 – 9	Adequate	No further action required, but ensure controls are maintained and keep under close review
10 – 16	Tolerable	Look to improve level of risk if practical
17 – 25	<b>Unacceptable</b>	<b>Stop activity and make immediate improvements</b>

For high tolerable risks, list what will be done to reduce the residual risk score or explain why this is not practical in the 'action' column. Then ensure these actions have a realistic 'completion date' and are assigned to a specific officer in the 'officer responsible' column.

### STEP 9: Target Risk Rating

Assign a target risk rating based on the type of risk and the Council's risk appetite. This should be the level of risk that is realistically achievable once all mitigations and further actions are in place. See Appendix 1c for the Council's risk appetite to see what is realistic.

### STEP 10: Risk Owner

For corporate risks, the Chief Executive has overall accountability. Each risk is delegated to a lead Head of Service and assigned to a lead Strategic Principal Officer who is the 'risk owner'. (This may be an Operational Principal Officer where there is no Strategic Principal Officer.) The risk owner is responsible for managing and monitoring the risk e.g. implementing controls and ensuring they are working. If more than 1 risk owner is listed, their specific areas of responsibility should be noted to avoid confusion over ownership.

For departmental risks, the Head of Service is accountable. Each individual service risk is allocated to a lead Strategic Principal Officer who is the 'risk owner' responsible for managing and monitoring the risk. (This may be an Operational Principal Officer where there is no Strategic Principal Officer.)

It is important to allocate risks to a named officer to make sure that there is clear ownership and responsibility.

### STEP 11: Portfolio Holder

Note all relevant Portfolio Holders for the risk.

**STEP 12: Note of review/changes**

gives evidence that the registers are being reviewed in line with the policy and makes it easier to spot changes made.

Ensure that HoS and SPOs (or OPOs) date and initial when they review the register and note any changes made. This

**Appendix 1a – Types of Risk**

<b>Reputation</b>	Related to the Council’s standing with residents, wider public, key stakeholders and influencers, and the public e.g. through adverse publicity.
<b>Finance</b>	Related to financial planning and control, ensuring sufficient funding to meet expenditure commitments and the adequacy of insurance cover.
<b>Compliance</b>	Associated with current or potential changes in national or European Law and adhering to legislation, regulations, procedures e.g. age discrimination legislation.
<b>Corporate Priorities</b>	Relating to delivering the Council’s corporate priorities, and the effectiveness of these priorities in the wider context
<b>People</b>	Related to the Council’s workforce including staff wellbeing, recruitment and retention of qualified staff, succession planning, establishing clear roles and responsibilities, over reliance on key officers.
<b>Health and Safety</b>	Related to fire, security, accident prevention and health and safety.
<b>Information Governance</b>	Related to the security, accuracy, timeliness of any information held or given by the organisation.
<b>Customer Delivery</b>	Related to meeting current and changing needs and expectations of residents and customers and citizens.
<b>Environment</b>	Related to the Council’s influence on the health of the environment including sustainability, impacts of materials use and waste, pollution, transport, noise and greenhouse gas emissions

**Appendix 1b – Likelihood and impact definitions**

To estimate the likelihood and impact of the risk use the following descriptions and definitions of the rating.

## LIKELIHOOD

Rating	Description	Likelihood of Occurrence
1	Very Unlikely	Rare, but it may occur in exceptional circumstances. It could happen, but probably never will.
2	Unlikely	Not expected, but there's a slight possibility it may occur at some time.
3	Possible	The event might occur at some time as there is a history of casual occurrence at the Council and/or similar organisation.
4	Likely	There is a strong possibility the event will occur as there is a history of frequent occurrence at the Council and/or similar organisation.
5	Very Likely	Almost certain. The event is expected to occur in most circumstances as there is a history of regular occurrence at the Council and/or similar organisation.

## IMPACT

Rating	1	2	3	4	5
Description	Low	Minor	Moderate	Severe	Catastrophic
<b>Finance</b>	Lower level of financial loss; Less than £10,000	£10,000 to £100,000; not covered by insurance	£100,000 to £300,000; not covered by insurance	£300,000 to £400,000; not covered by insurance	Above £400,000; not covered by insurance
<b>Compliance</b>	Minor civil litigation or regulatory criticism  Breach of guidance / statutory duty	Minor regulatory enforcement  Informal recommendation from regulator	Major civil litigation and/or local public inquiry	Major civil litigation setting precedent and/or national public enquiry  Enforcement action  Multiple breaches in statutory duty  Improvement notices	Section 151 or government intervention or criminal charges
<b>Customer Delivery</b>	Insignificant disruption on internal business - no loss of customer service	Some disruption on internal business only - no loss of customer service	Noticeable disruption affecting customers  Loss of service up to 48 hours	Major disruption affecting customers  Loss of service for more than 48 hours	Loss of service delivery for more than seven days
<b>People</b>	Short-term staffing absence (less than 2 weeks) that temporarily reduces service quality	Low staffing level (up to 1 month) that reduces service quality	Low staffing level (up to 2 months) or lack of skills/experience that reduces service standards or leads to late delivery of objectives	Low staffing level (more than 2 months), lack of skills/experience and/or loss of key staff that leads to uncertain delivery of key corporate services or objectives	Low staffing level (more than 2 months), lack of skills/experience and/or loss of key staff that leads to non-delivery of key corporate services or objectives
<b>Environment</b>	Minor or negligible danger to the environment.	Some short-term impact to the environment	Long term impact to the environment	Major ongoing impacts to the environment, including raising greenhouse gas (GHG)	Breach of statutory environment duties, increasing GHG

Rating	1	2	3	4	5
Description	Low	Minor	Moderate	Severe	Catastrophic
				emissions	emissions
<b>Health and Safety</b>	No or only minor personal injury - first aid needed but no days lost	Minor injury - medical treatment and some days lost	Injury - possible hospitalisation and numerous days lost	Single death and/or long-term illness or multiple serious injuries	Multiple deaths or permanent disability or ill-health
<b>Information Governance</b>	Minor breach affecting single individual	Minor breach or sharing of inappropriate information affecting up to 20 people	Minor breach or sharing of inappropriate information affecting 21-100 people or very sensitive breach relating to 2 to 5 people	Minor breach or sharing of inappropriate information affecting 101-500 people or very sensitive breach relating to 5 to 20 people	Minor breach or sharing of inappropriate information affecting over 500 people or very sensitive breach relating to over 20 people
<b>Reputation</b>	Negligible impact	Adverse minor comment including on social media	Adverse social and local media coverage	Adverse national coverage	Demand for government inquiry
<b>Corporate Priorities</b>	Resolved in day-to-day management	Minor impact	Significant impact	Major impact	Disastrous impact

## Appendix 1c – Risk Appetite Statement

Risk appetite is the amount of risk the Council is prepared to accept in the pursuit of its strategic objectives.

The overall risk appetite that CExB considers appropriate taking all strategic objective risk appetite alignment into consideration is ‘**Open**’. This means that CExB is prepared to consider all delivery options and will select those with the highest probability of productive outcomes, even when there are elevated levels of associated risks. Different areas of the organisation will accept more or less risk than others. For example, the Council will accept more risk for areas of growth than in those relating to Governance and Compliance. **The amount of risk the broader Council is willing to take will vary depending on the risk category.**





Low acceptable risk

High acceptable risk

Averse	Cautious	Open	Hungry
<ul style="list-style-type: none"> <li>• Preference for safe business delivery options that have a low degree of current risk and potential for limited reward</li> <li>• Low risk options taken to minimise exposure – reluctant to act given uncertainty – highly influenced by experience</li> </ul>	<ul style="list-style-type: none"> <li>• Preference for safe delivery options that have a medium degree of risk and may only have limited potential for reward</li> <li>• Willing to take risks but prefer to take the <i>safe delivery option</i> minimising the exposure with tight corporate controls over change</li> </ul>	<ul style="list-style-type: none"> <li>• Willing to consider all potential delivery options and chooses the one that is most likely to result in successful delivery whilst also providing a good level of reward</li> <li>• <i>No surprises</i> – well measured risk taking</li> <li>• Willing to take risk with a degree of uncertainty recognising that things may go wrong</li> <li>• Learns from mistakes</li> </ul>	<ul style="list-style-type: none"> <li>• Eager to be innovative and chooses options offering potentially higher business rewards despite greater inherent risk</li> <li>• Recognises highly devolved decision-making meaning that not all risks are known</li> <li>• Acts when uncertain of results with uncertain information</li> <li>• Willing to accept significant loss for potentially higher reward</li> </ul>
1-4	5-9	10-16	17-25