

## **RISK APPETITE GENERAL STATEMENT**

The Council recognises that it must take risks. Indeed, only by taking risks can it achieve its aims and deliver beneficial outcomes to its stakeholders. It must, however, take risks in a controlled manner, this reducing its exposure to a level deemed acceptable, from time to time, by the Cabinet.

Methods of controlling risks must be balanced in order to support innovation and the imaginative use of resources, especially when it is to achieve substantial benefit. In addition, the Council may accept some high risks because of the cost of controlling them or our statutory obligations.

As a general rule the Council will seek to control all highly probable risks which have potential to:

- Cause significant harm to service users, staff visitors and other stakeholders.
- Compromise severely the reputation of the Council.
- Have financial consequences that could endanger the Council's viability.
- Jeopardise significantly the Council's ability to carry out its core purpose and statutory duties.
- Threaten the Council's compliance with law and regulation.

The Council's current overall risk appetite is defined as **MODERATE** (see Appendix A for definitions). This means the Council remains open to innovative ways of working and to pursue options that offer potentially substantial rewards, despite also having greater level of risks. However, the Council's preference is for safe delivery options which have a lower degree of risk, especially for those services required by statute.

Risk appetite is not a single, fixed concept and there will be a range of appetites for different risks which may vary over time. The Council's risk appetite by corporate priority and guiding principles are set out in Appendix B.

### **Appendices:**

**Appendix A - Risk appetite definitions**

**Appendix B - Risk appetite by corporate priority**

## Appendix A – Risk Appetite Definitions

<b>Avoid</b>	No appetite. Not prepared to take risk.
<b>Adverse</b>	Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognizing that these will have little or no potential for reward/return.
<b>Cautious</b>	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.
<b>Moderate</b>	Tending always towards exposure to only modest levels of risk in order to achieve acceptable outcomes.
<b>Open</b>	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.
<b>Hungry</b>	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.

## Appendix B – Risk Appetite by Corporate Priority

<b>Corporate Priorities</b>	More and better housing	Open	We invest when there is a good likelihood of return and opportunities to grow, choosing innovative options in order to deliver a significant contribution.
	Regeneration and a thriving community	Open	Our focus is on driving forward regeneration by taking on innovative projects which are resource intensive with long lead in times.
	Wellbeing and social inclusion	Moderate	Often working with partners we will continue to deliver our wellbeing strategy, usually taking moderate to low risk options.
	A clean and green environment	Moderate	Maintaining good levels of standards we tend towards exposure to modest levels of risk in order to achieve acceptable outcomes.
	Successful children and young people	Cautious	We will take low risk options to enhance in our support of children and young people.
<b>Guiding Principles</b>	Sound resource management	Cautious	It is important the Council is getting its best from available resources whilst ensuring long term sustainability. We will seek best use of our resources, and generation of alternative funding in order to protect services.
	Being a community leader	Moderate	Promoting the needs of Harlow and being recognised as a community leader, we tend towards modest levels of risk to achieve outcomes.
	Equalities and Fairness.	Moderate	Developing and promoting the Equalities and Fairness agenda across Harlow, we usually take moderate to low risk options to achieve outcomes.