

Appendix B – Strategic Risk Profile

Risk Matrix

Impact	Critical None or very low tolerance to the risk	4	10 ^② Medium	13 ^① High	15 ^⑩ Very High	16 Very High
	Major Some tolerance to the risk	3	6 ^⑤ Medium	9 ^④ High	12 ^③ High	14 ^⑪ Very High
	Moderate Risk can be tolerated in most cases	2	3 Low	5 Medium	8 ^⑥ High	11 High
	Minor Risk can be tolerated	1	1 Low	2 Low	4 Medium	7 Medium
			1	2	3	4
			Unlikely Low but not impossible <20%	Possible Fairly likely to occur 21% - 50%	Likely More likely to occur than not 51% - 80%	Certain Expected to occur in most circumstances >80%
			Likelihood			

Strategic Risks and Risk Appetite

1. Successful/serious cyber security attack on the Council **AVERSE**
2. Health, Safety, Wellbeing, and Safeguarding failures by the Council **AVERSE**
3. Unable to maintain financial sustainability **CAUTIOUS**
4. Unable to maintain and build sufficient staffing capacity and capability **CAUTIOUS** (and in some cases **OPEN**)
5. Unable to meet requirements of new regulations and legislation affecting the Council **MINIMAL**
6. NEW: Societal, demographic and cultural changes impacting communities within the district **OPEN**
7. Major governance failure **AVERSE**
8. Significant fraud/theft successfully committed against the Council **AVERSE**
9. NEW: Increasing levels of homelessness and meeting the challenges of maintaining quality social housing provision within the district **MINIMAL**
10. NEW: The implications and general uncertainty of Local Government Organisation on the Council **OPEN** (and in some cases **HUNGRY**)
11. NEW: Not leveraging the opportunities of Devolution **HUNGRY**

Risk appetite descriptors
on the following page

Risk Appetite Descriptors

Risk appetite level	Risk appetite level description
Averse	We shall seek to reduce the residual risk as far as practically and reasonably possible within the constraints of resources available
Minimal	We shall seek a low degree of residual risk in a well-controlled environment with limited benefit potential
Cautious	We are willing to accept some degree of residual risk where we have identified scope to achieve proportionate benefit – striking a balance between the two
Open	We are willing to explore a range of options and new solutions where we believe the potential benefits outweigh the residual risks and so we take informed risks
Hungry	We are eager to be innovative and choose to work with a range of options based on maximising opportunities and beneficial outcomes even if those activities carry a very high level of residual risk. In doing so we recognise that failures are an opportunity for learning and improvement