

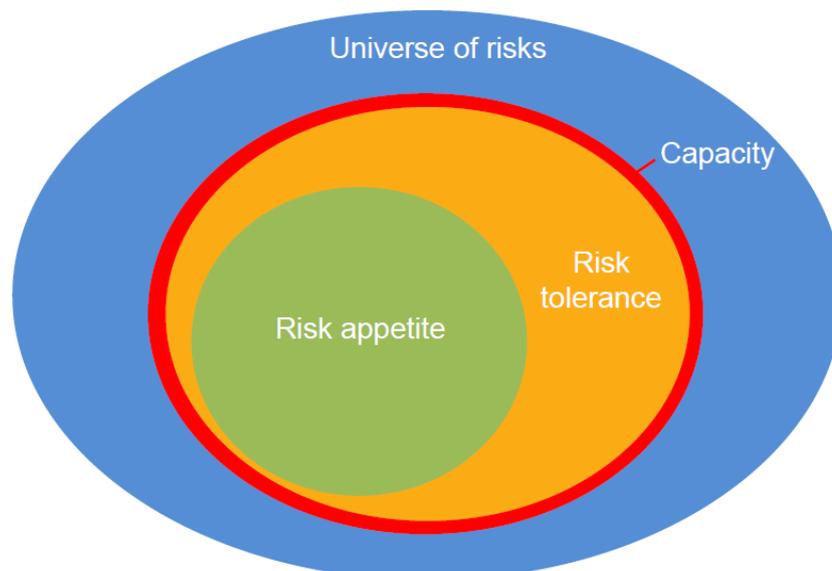
Breckland Risk appetite statement-

Risk appetite is an important tool in guiding what the council is willing to seek or accept in pursuit of its strategic objectives set out in its corporate plan. As an organisation, we must sometimes take risks to deliver beneficial outcomes to stakeholders and a risk appetite allows for risk-taking to be a controlled process. Good risk management allows for informed decision making and understanding of associated risks in undertaking certain tasks and activities. The ability to properly manage and understand risks means that the council is more likely to be able to achieve its goals, as well as allowing for control and a high level of due diligence consistent with the responsibilities of a public sector organisation.

Risk management also incorporates opportunities as well as threats. The council's approach to risk is to seek the right opportunities where possible and minimise risk as effectively as possible. By encouraging managed risk-taking and considering options, the council can take a balanced approach of both caution and innovation. As an organisation, we are not willing to take risks that will cause significant negative consequences to our objectives. In some cases, the council may have to accept higher risks due to the cost of controlling them or statutory obligations.

The council's risk appetite reflects its current position- seeking to encourage managed risk-taking for minor to moderate level risks but controlling or seeking to actively influence those risks further up the scale. The council's risk appetite will vary over time due to both internal and external factors such as ambition, priorities, and the landscape of local government both regionally and nationally. Appetite will also vary across levels of seniority and between individuals and groups based on both conscious and unconscious bias; knowledge and understanding; and experience.

As set out in the below diagram, outside of the council's risk appetite is the council's risk tolerance. This sets the level of risk that is unacceptable to the council, regardless of any potential opportunities that may arise. In these instances, the council will seek to reduce the risk to bring it within its risk appetite. Outside of risk tolerance is capacity, which can be defined as the limit of risk overall within the council. Risks that fall outside of the capacity are those risks that the council is not able to deal with. If the council wishes to deal with risks outside of its capacity, then it would need to reconsider its approach to risk as well as other wider strategies and elements such as available resources and budgets.



Risk appetite matrix

Risk response rating-

Definition	Risk matrix rating level	Description
Avoid	20-25	These risks sit at the top of the council's tolerance and form the council's top risks. The organisation is not willing to take any risk at this level and actions should be taken to immediately manage the risk to reduce its rating.
Adverse	12-16	These risks are the upper limit of the council's appetite. Whilst they can be tolerated, work should be done to bring these risks down to a more manageable level.
Cautious	5-10	These represent risks which the council should monitor and may apply to risks that have the potential to become significant if they are allowed to develop. These risks are not immediate threats but require monitoring to ensure that they remain within the council's tolerance. Risk owners should seek to manage any increase in likelihood or impact.
Open	3-4	These are low-level risks that could hinder or disrupt the achievement of objectives. Due to the relatively low level, it is unlikely that additional controls will be identified to respond to the risk.
Hungry	1-2	Minor risks with low consequences should still be monitored. These should be assessed under the risk management policy even though they are unlikely to prevent or significantly disrupt either day to day activities or the achievement of strategic objectives.