

CABINET

Risk Appetite 21 October 2025

Report of Chief Executive

PURPOSE OF REPORT				
The enable cabinet to review the appropriate risk appetite levels for the Council.				
Key Decision		Non-Key Decision	X	Referral from Cabinet Member
Date of notice of forthcoming key decision	N/A			
This report is public				

RECOMMENDATIONS OF THE LEADER

- (1) To review the risk appetite levels for risks across the Council, as set out in appendix A.

1.0 Introduction

- 1.1 The Council has different risk appetites set, depending on the type of risk. The risk appetite was last reviewed by Cabinet in December 2023 and needs to be reviewed again, following the move from a 4x4 to a 5x5 risk scoring matrix.
- 1.2 In December 2023 the Council adopted the HM Treasury risk categories and risk appetite levels as defined in "The Orange Book. Risk Management Guidance Note". This guidance remains unchanged, other than the colouring and scoring of the five different risk levels in the matrix being re-mapped to fit our new 5x5 risk scoring matrix.

2.0 Proposal Details

- 2.1 Cabinet is asked to refresh the recommended risk levels. Should any adjustments be proposed, officers would need to produce a further report providing more details on any implications of this.
- 2.2 Definitions of the risk category and risk appetite are stated in appendix A, with the current risk appetite shaded in yellow.

- 2.3 When setting the risk appetite levels, Cabinet may find it useful to view the measures of likelihood and impact that officers use when assigning scores to risks. These can be seen as appendix B.
- 2.4 Cabinet may also wish to consider the current residual risk levels of all the risks open within the Grace risk management system to provide insight into how the risks are currently scored. Appendix C shows this information and includes shading and a summary to show the numbers of risks within and outside of our risk appetite. The appendix also shows a map of the strategic risk scoring.
- 3.0 Details of Consultation**
- 3.1 The Leadership Team have been consulted on the planned approach and support it as outlined.
- 4.0 Options and Options Analysis (including risk assessment)**
- 4.1 Not applicable
- 5.0 Officer Preferred Option (and comments)**
- 5.1 No applicable
- 6.0 Conclusion**
- 6.1 Cabinet to review the existing risk appetite levels to ensure the Council continues to have an effective approach to risk management.

RELATIONSHIP TO POLICY FRAMEWORK
The Council has a Risk Management Policy, which is written to provide guidance on the management of risk. Risk Management is identified in the Council Plan 2024-27.
CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)
None directly identifiable.
LEGAL IMPLICATIONS
No direct legal implications arising from this report.
FINANCIAL IMPLICATIONS
No direct financial implications arising from this report.

OTHER RESOURCE IMPLICATIONS

Human Resources:

No direct HR implications arising from this report.

Information Services:

No direct ICT implications arising from this report.

Property:

No direct property implications arising from this report.

Open Spaces:

No direct open spaces implications arising from this report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has contributed to this report in his role as Chief Officer Resources.

MONITORING OFFICER'S COMMENTS

Whilst Audit Committee is responsible for monitoring the effective development and operation of risk management in the council it is felt that setting the risk appetite is for Cabinet to decide.

BACKGROUND PAPERS

Minute 49 - [Agenda for Cabinet on Tuesday, 5th December 2023, 6.00 p.m.](#)

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