

Risk Appetite Workshop

Part 2



Part 1 - Results (final work)

Today's session is to complete the appetite ratings for the 4 remaining categories of:

- Relationships
- Reputation
- Strategic Decision Making
- Environment/Climate/Resilience

- 10 mins each

EMERGING RISK APPETITE – POST 28 SEPTEMBER DELIBERATION

Direction reflects voting and subsequent Elected Member discussion.
Areas marked TBC require further governance clarification.

Risk appetite area	VERY LOW appetite	LOW appetite	MODERATE appetite	HIGH appetite	VERY HIGH appetite	Status / key note
Health & Safety	●					Very low appetite for fatality and serious harm. Practical and reasonable response. Environment/climate/resilience to be addressed.
Legal & Regulatory (non-compliance)	●					Very low appetite for material non-compliance. No material change to direction.
Financial		●				Lower appetite. Distinguish financial variance from deliberate investment and remain within delegations.
Assets			●			Moderate appetite (Position 3). Consider asset condition, lifecycle cost, affordability, alternative revenue and community voice.
Service Delivery			●			Moderate appetite (Position 3). Greater acceptance of changing/improving a service than reducing or removing it.
Innovation / Adoption				●		Leaning positive but controlled/evidence-based. Final level to be confirmed (reframed from 'experimentation').
Relationships			○			Not yet settled.
Reputation			○			Not yet settled.
Strategic Decision-Making			○			Not yet settled. Further testing required.
Environment / Climate / Resilience (new)			○			New area identified through discussion. To determine separate area or integrate across relevant domains.



Emerging direction
(from voting and discussion)



To be confirmed
(further governance clarification required)

Very Low
appetite

Minimal risk
accepted

Low
appetite

Low level
of risk accepted

Moderate
appetite

Some risk
accepted

High
appetite

Higher level
of risk accepted

Very High
appetite

Significant risk
accepted

Example of Appetite and Tolerance working in partnership

Scenario: Playground softfall across Council's parks network

Council has a network of playgrounds with varying levels of use, equipment height, softfall condition and renewal requirements. Not every playground presents the same exposure, and not every renewal can necessarily be delivered at once.

Health and Safety

VERY LOW APPETITE

Strong protection against fatality and serious harm.

Assets

MODERATE APPETITE

Managed variation in condition and renewal timing.

Legal and Regulatory

VERY LOW APPETITE

Strong protection against material non-compliance.

Service Delivery

MODERATE APPETITE

Managed disruption or temporary reduced availability.

- 1. Governance sets the boundaries – Risk Appetite:** Defines the level of risk Council is prepared to accept.
- 2. Management applies the boundaries – Risk Tolerance:** – Assesses, triages, and prioritises playgrounds.
- 3. Management demonstrates accountability – Risk Assurance:** Controls, renews, monitors, and escalates.

Governance determines how much risk is acceptable; management determines how that risk is managed and provides assurance that Council remains within its agreed boundaries.

Relationships – Which position is closest?

When does disagreement become unacceptable relationship harm?

POSITION 1 — LOWER APPETITE

Council places substantial weight on protecting important relationships and has low appetite for decisions likely to cause significant relationship harm.

POSITION 3 — MODERATE APPETITE

Council seeks to protect important relationships while recognising that legitimate decisions may create disagreement or temporary relationship strain.

POSITION 5 — HIGHER APPETITE

Council is prepared to accept significant relationship tension where a lawful, evidence-based decision is necessary to achieve important strategic or community outcomes, provided impacts are understood and actively managed.

Reputation – Which position is closest?

What reputational consequence should actually change an otherwise sound decision?

POSITION 1 — LOWER APPETITE

Council has limited appetite for decisions expected to create significant adverse public or media reaction.

POSITION 3 — MODERATE APPETITE

Council accepts reasonable reputational risk and short-term criticism where decisions are lawful, evidence-based, transparent and aligned with agreed outcomes.

POSITION 5 — HIGHER APPETITE

Council accepts substantial criticism or unpopularity where a decision is lawful, evidence-based and necessary to achieve important outcomes, provided Council's integrity and longer-term trust are protected.

Strategic decision making – Which position is closest?

What reputational consequence should actually change an otherwise sound decision?

POSITION 1 — LOWER APPETITE

Council favours established approaches and greater certainty, accepting limited strategic risk where outcomes, costs or consequences remain uncertain.

POSITION 3 — MODERATE APPETITE

Council accepts managed strategic risk where decisions are evidence-based, benefits justify the uncertainty, and appropriate safeguards, monitoring and review arrangements are in place.

POSITION 5 — HIGHER APPETITE

Council is prepared to accept substantial strategic uncertainty in pursuit of significant long-term benefits, recognising that well-considered decisions may not always succeed, provided risks are understood, decisions are properly authorised and consequences actively managed.

Environment / Climate / Resilience – Which position is closest?

What level of environmental, climate-related and resilience risk should Council be prepared to accept when balancing affordability, development, infrastructure and long-term community outcomes?

POSITION 1 — LOWER APPETITE

Council has limited appetite for decisions that could create significant environmental harm, increase exposure to climate-related hazards or compromise long-term community resilience, even where stronger protection requires additional investment or constrains development and service choices.

POSITION 3 — MODERATE APPETITE

Council accepts managed environmental and climate-related risk where decisions are evidence-based, proportionate and affordable, and where potential impacts on the environment, infrastructure and community resilience are understood, mitigated and monitored.

POSITION 5 — HIGHER APPETITE

Council accepts greater environmental and climate-related uncertainty where decisions support important development, infrastructure or community outcomes, provided statutory obligations are met, material risks are assessed and managed, and long-term resilience is appropriately considered.

Thanks Questions / Actions

