

Appendix D - A template to include risk appetite in decision making reports – as reported to MAT + 30 November 2021 (Annex 3 to Appendix A)

ANNEX 3 COMMITTEE REPORT

Committee report – incorporating reference to risk appetite where a Committee is asked to make a decision and a recommendation is put forward

The following section currently forms part of all committee report templates.

Title	
Purpose of the report	To make a recommendation to eg Corporate Policy and Resources Committee
Report Author	
Ward(s) Affected	
Exempt	Yes/No
Exemption Reason	
Corporate Priority	
Recommendations	<p>Committee is asked to: Recommend to eg Corporate Policy and Resources Committee that</p> <p><i>(New additional text proposed to ensure transparent and informed risk-based decisions can be demonstrated)</i></p> <p>Note that the proposed/recommended option falls within the Council's approved Risk Appetite, or</p> <p>Note that the proposed/recommended option does not fall within the Council's approved Risk Appetite</p>
Reason for Recommendation	Where the proposed/recommended option does not fall within the Council's approved Risk Appetite the reasons are set out in the report.
<i>(New additional text proposed)</i>	

2. Options analysis and proposal

2.1 We have looked at the various options available, and these include:-

- 1) **Option 1:-** Do nothing. This would mean that
- 2) **Option 2:-**
- 3) **Option 3:-**

2.2 **Option 2 is proposed/recommended**, i.e. that Committee approves

3. Risk Appetite implications *(New section proposed to provide a framework within which officers can make proposals. This ensures transparent and informed risk-based decisions can be demonstrated in delivering corporate priorities and objectives)*

Either:

(a) The Option being proposed is consistent with the Council's established risk appetite, approved by Members. *(Scope to include guidance narrative for report authors & audience. Some suggested text - Council decisions have implications for the Council's finances, delivery of corporate priorities, service provision, reputation, and exposure to external challenge. There are likely to be other implications arising from Council decisions, but these areas represent key impact measures).*

Provide an explanation and relevant example of how the proposed/recommended option supports the approved risk appetite across each of the following five impact measures (Council approved appetite is marked with an X below).

Risk Appetite Category	Minimal	Cautious	Exploratory	Seeking
Appetite description	Areas where Spelthorne will apply a strong control environment to reduce or minimise the likelihood that a risk will occur and/or reduce the impact of any risk	Areas where Spelthorne seeks low-risk delivery options and will pilot innovation only in a controlled environment	Areas where Spelthorne strikes a balance between the potential upside benefits and downside risks of a decision and explores new solutions and options for delivery	Areas where Spelthorne takes risks by working with new ideas and approaches, looking for innovation and recognizing that failures are an opportunity for learning and improving.
Impact Measure: 1. Financial	Prepared to lose up to 2% of the value of project or activity in pursuit of objectives	X Prepared to lose up to 5% of the value of project or activity in pursuit of objectives	Prepared to lose up to 10% of the value of project or activity in pursuit of objectives	Prepared to lose up to 20% of the value of project or activity in pursuit of objectives
Impact measure: 2. Corporate priorities	All priorities delivered as planned because they are undemanding	X Majority of priorities delivered, with some flexibility	Re-examination of a number of priorities to deliver in new and innovative ways	Rethink of many priorities, looking for new ways to deliver that have not been used

		around contributing objectives		elsewhere in the public sector
Impact Measure: 3.Service provision	Services delivered as planned with mandated developments only	X Tried and tested changes made. Use of limited pilots to develop new approaches	Open to new ways of doing things and taking a balanced and pragmatic (capacity-driven) approach to making changes	Continuous re-evaluation of services and how they are delivered to explore new ideas, learn from failures to invest in ever-improving delivery
Impact Measure: 4.Reputation	Minimal local media attention Minimal social media interest No effect on staff morale	Local media interest Technical social media interest Minimal effect on staff morale	X National media interest General public social media interest Noticeable effect on staff morale (eg increase/decrease in turnover or job applicants)	Remembered for years International social media interest Major effect on staff morale (eg turnover outside desirable parameters)
Impact Measure: 5.Challenge and acceptability	No exposure to external challenge other than mandatory requirements	X Open to peer reviews to learn from others with similar approaches and attitudes	Open to external reviews from other public sector bodies to learn and develop	Invites external review and challenge as an opportunity to learn, develop and enrich, find innovative ways of doing things and trying out new ideas. Learning from own failures and those of others, including those outside the public sector

OR: The Option being proposed/recommended does not fall within the Council's established and approved risk appetite for one or more measures. The proposed/recommended option sits under the following risk appetite(s) for each of the impact measures, marked with an 'A'.

Risk Appetite Category (See definitions above)	Minimal	Cautious	Exploratory	Seeking
Impact Measure			A	
Financial				
Impact Measure				A

Corporate Priorities				
Impact Measure	A			
Service Provision				
Impact Measure				A
Reputation				
Impact Measure			A	
Challenge and Acceptability				

The implications of proposing/recommending an option that falls outside of the Council's approved risk appetite are.....

It is necessary to propose/recommend this option as it is envisaged that it will provide additional benefits highlighted earlier and in other sections of this report.

PT

Drafted 17.11.21

Committee report & Decision Making