



## Risk Appetite Statement

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#### Preamble

1. This Risk Appetite Statement (RAS) sets out in high-level terms the degree of risk the University is willing to seek or accept in pursuit of its strategic objectives. A RAS provides a framework within which the University can make decisions about its future in the full understanding of the risks that it might run as a result and should be used in conjunction with the University’s strategic risk register. A RAS should also include reflection on the consequences of not taking risks.
2. A RAS is not a template for decision-making nor is it a strict set of limitations, but it should be realistic to the circumstances in which the University finds itself and should facilitate appropriate decision-making in a risk-informed context. A well-judged RAS will provide comfort to those who are naturally risk averse and conversely can be used to prevent excessive risk-taking. It acts as a reference point but is an important element in setting a risk landscape within which the University can operate and consider its strategic objectives.
3. A risk appetite statement is often accompanied by a scale, which can be used to grade areas of activity according to the degree to which the University is comfortable to take risk. The following sets out the scale that the University has implemented:

	Averse	Minimal	Neutral	Open to risk	Risk seeking
	<i>Red</i>	<i>Amber</i>	<i>Blue</i>	<i>Light green</i>	<i>Dark green</i>
<b>Organisational stance</b>	We actively take steps to reduce risk.	We are cautious about risk-taking.	We have a balanced approach to risk-taking	We are willing to take moderate risk.	We are willing and able to take large risks in pursuit of our objectives.
<b>Balance of risks and benefits</b>	The negative impact of the risk is more than we can legally or realistically bear.	The negative impact of the risk could cause lasting damage and may not be outweighed by any benefits.	The degree of negative impact and the benefits gained from taking risk are balanced.	The potential benefits outweigh the possible negative impacts.	The potential benefits far outweigh the possible negative impacts and any negative impacts can be borne without lasting impact.
<b>Action</b>	Mitigate/avoid risk	Prefer to mitigate or avoid risk	Prefer to mitigate risk	Prefer to accept risk	Accept risk

#### Overarching Statement

4. In living up to the ambitions of its vision and in particular in the context of the need to achieve its strategic priorities, the University recognises that success must be built on a willingness to take appropriate and managed levels of risk in support of necessary change. The process of change has far-reaching consequences and it will affect organisational coherence, individual behaviours and performance, as well as the way the University interacts with its stakeholders and current and future partners. The University wishes to be bold in creating, pursuing and adopting novel ideas and

projects that support its strategic objectives, but acknowledges the need to protect what it has achieved and what it does well in an infrastructure that is safe, robust and fit for purpose, and where its community is valued and can contribute. Change is inherently risky, but the University accepts this and encourages its community to be open to risk whilst protecting its physical, cultural and scientific assets.

- In pursuing its strategic objectives the University has made clear its commitment to upholding its values (valuing people, integrity, working together, making a difference, and excellence), as well as to enhancing equality, diversity and inclusion across the breadth of its activity.

#### Individual Strategic Areas and Functions

Domain	Narrative	Rating
<b>Academic Excellence &amp; Sustainability</b>	Concerned with improving the excellence and sustainability of all the University's activities, this is a fundamental change programme, crucial to the University's future. In that context, the University accepts the risks necessary to attain success; indeed not acting in this domain is seen as the greater risk. Supporting this project is not without reputational and people-related risks, but if the University is to develop its people and programmes in the way needed to reach sustainable excellence, then those risks are worth running. In terms of increasing commercialisation opportunities the University is equally open to risk in pursuit of high value partners in business and industry.	Open to risk
<b>Growing Recruitment</b>	Maximising unregulated income from increasing market share and agreeing new partnership arrangements is critical to providing the financial headroom for strategic investment in education, research, infrastructure and our academic schools. This requires the development of market-driven programmes, effective and efficient approaches to student recruitment and the identification of suitable and diverse home and overseas partners <sup>1</sup> . The University is open to risk in this domain, so long as it can continue to maintain its standards and values.	Open to risk
<b>Digitally Enabled University</b>	The University recognises that improvements are required in its digital environment to keep pace with the expectations of its students and staff and in order to ensure it can make an impact in the world. Greater reliance on digital technology brings the risks of cybersecurity and infrastructure failure into sharper relief, so the necessary developments and changes in this domain need to be balanced with a clear understanding of the possible threats. To make progress requires investment in technologies and systems that are not cheap and can be challenging to implement. The pace of digital change will therefore require the University to take risk in order to continue to be world leading in our student experience.	Open to risk
<b>Reputation</b>	The University has a well-established reputation for world-class learning, teaching and research. This reputation underpins the University's ability to recruit the best students, staff and researchers, to attract world-leading partners and collaborators and to make an impact locally and globally. However, sometimes to achieve essential strategic change the risk of some short-term impact on reputation may need to be accepted and managed. For these reasons the University has a minimal to neutral appetite for any activity which might put that reputation at risk, particularly where that activity might lead to adverse publicity, a diminution of the University's brand or ethical standing or which could lead to a loss of confidence in the University.	Minimal
<b>Integrity and Compliance</b>	The University is committed to high standards of integrity, compliance, health & safety and ethics. In this regard, the University has no appetite for breaches in statute, regulation, professional standards, research ethics, bribery and other forms of corruption, or fraud both by individuals and in systems and processes. This extends to activity which might put the accreditation of teaching provision at risk.	Averse

<sup>1</sup> The process for identifying and agreeing new partnerships includes review against a separate 'International Collaborations Risk Appetite Statement' (ICRAS) which acts as a threshold statement to understand which partnerships should be progressed. The ICRAS is consonant with this Risk Appetite Statement.