University of Northumbria Risk Appetite Statement

Introduction and background
The University Strategy 2018 – 2024 outlines how the University will deliver its Vision 2030. To achieve the strategic outcomes the University will, on occasion, be required to take risks. The University's appetite for taking risk varies according to the activity to be undertaken and acceptance of risk is subject to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

Using the Risk Appetite Statement in decision making
The risk appetite statement is a key part of the University's decision-making processes. It should be used when new and significant proposals and initiatives are being considered by the University. Risk Appetite, however, is only one aspect of a larger decision-making framework which includes aligning activities to the University Strategy, Strategic Outcomes, Business Outcomes and Key Performance Indicators, as well as the consideration of financial and ethical elements.

The University expects decision makers to take considered risks in certain areas in order to achieve its objectives. The Risk Appetite Statement is provided as a guide to help inform University activity, rather than a series of absolute rules that may unintentionally hinder innovation and progress.

Wherever possible, the University will look to treat, transfer or terminate significant risks. However, there may be times where decisions will be made regarding activities where the risk profile is outside the Risk Appetite Statement, and an increased level of risk will be tolerated. In such cases the University may agree to accept the risk. This will require approval by the University Executive in most cases.

Risk Appetite Statement

Risk Appetite Scale	Description	Risk Category	Appetite position
1 - Averse	The University has a *close to* zero tolerance for exposure in these areas. The University has a preference for safe decision making in these areas. Any risks taken should be carefully considered, managed and controlled appropriately.	**Compliance** Legal and regulatory (including, but not limited to, OfS, UKVI, ICO, EDI, CMA).	The University will always seek to be agile and innovative in its approach, but will seek to minimise the risk of significant breaches of legislation, regulation, or professional standards. The University aims to excel in its compliance with key legal and regulatory frameworks, and takes an entirely risk-averse stance when attempting to reach minimum requirements for compliance in these areas . The University does not tolerate bribery, corruption or fraud.
		Health and Safety Health, safety and wellbeing of our staff and students on campus or off campus; safe working, teaching, and research environments.	The University's first obligation is to keep its staff and students safe, and it will take all necessary steps to ensure decisions are not made which put this in jeopardy.
		Financial Sustainability Sustainability of income streams, physical infrastructure and estates (maintenance/investment), major investment.	The University will always seek to protect its long-term viability and sustainability.

Approved by Board of Governors: 27 November 2023

		Campus Security Physical and estates security, facilities and events management.	The University will not risk any activity that puts the security and safety of its people or its physical estates at significant risk.
		National and International Security Due diligence, trusted research, export control, geopolitical impact.	The University will not risk any activity which has a serious, detrimental impact on national security.
		Governance Sound management and governance structures, governing instruments, oversight of planning, decision-making and performance.	The University recognises the importance of good governance to provide assurance and compliance with our regulatory and strategic commitments and responsibilities. This requires robust and effective governance, at the strategic and operational level, at all times.
		Academic Quality and Standards Teaching and assessment quality, TEF performance.	The University aims to protect academic excellence, which is at the heart of its values.
2 - Minimal	The University has a low tolerance for residual risk in these areas, and requires robust controls to be in place for any risks taken.	Reputation Academic integrity, relationship with national and local government, funders and partners. Perception within communities and wider public. Internal perception.	The University greatly values its external and internal reputation, and will seek to manage private and public perception as much as reasonably possible. The University recognises that certain scenarios or events may require a small level of residual risk from a reputational standpoint, but will only accept this risk if robust controls are in place to manage it. This includes any activities that could lead to undue adverse publicity or loss of confidence.
		Information Security, Cyber Security, and Data Management Data security, integrity, and confidentiality; records retention; access controls; networks; digital security.	Although the University will take every practicable step to ensure the security and integrity of the information and data it holds, there is recognition that some controlled areas of risk are necessary to enable the efficient and productive running of IT operations. The University recognises that, in the context of the external cyber security environment, there will always be some inherent risk which must be tolerated.
		Teaching and Student Experience Delivery of engaging programmes, facilities and activities outside of the curriculum, TEF student experience measures.	The University recognises that a level of risk exists when offering an outstanding student experience which inspires learning amongst its students. The University is prepared to accept this risk, subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that appropriate measures to mitigate risk are established.
		Environmental Sustainability Climate impact and climate change, emissions, sustainable use and protection of natural resources, waste prevention and recycling.	The University is committed to significantly improving environmental sustainability, both in terms of its direct activities and in the wider world. The University seeks to minimise the environmental impact of all activities, including travel and construction.
3 - Cautious	The University is prepared to accept exposure to moderate levels of residual risk in order to achieve	Commercial Student recruitment income, partnership income, research and grant income, donations, target setting, operational expenditure, other income, budget management.	The University recognises that some risk exists when pursuing ambitious objectives and income targets, and will allocate resources and control expenditure appropriately.

	acceptable outcomes or benefits	**People and Culture** Equality, diversity and inclusion; staff engagement and morale; recruitment and retention; succession planning; staff management; adherence to University values.	The University recognises that some risk exists when empowering ambitious people who will drive transformation, however this should always be values-led. For example, to achieve better EDI outcomes the University needs to be innovative in its approach to recruitment.
		Global Presence International student recruitment, global reputation, growth in overseas campus, international partnerships, student and staff mobility.	The University recognises that some risk exists when trying to achieve global impact, international collaborations and staff/student exchanges with leading institutions across the world.
4 - Open	The University is prepared to consider and accept an increased level of residual risk in pursuit of innovation and successful delivery of strategic and business objectives.	**Research and Innovation** Industry/enterprise intellectual property, alumni, standing in Research Excellence Framework (REF).	The University recognises that there may be an increased level of risk involved with achieving world class research activity (including REF outcomes). All research is subject to ethical approval, which will ensure risks to be taken are considered.
		Technology and IT Systems Broader operational IT infrastructure, systems and processes, software architecture, implementation of innovative technologies in services and faculties.	The University recognises that some risk exists when seeking to improve its technological assets across its professional, teaching and research areas. The acceptance of slightly higher residual risk in this area must be balanced with the University's lower tolerance for risk taking with cyber and data security, as referenced in the relevant categories above.
5 - Eager	The University welcomes considered risk taking, and will accept high levels of residual risk, where the potential for greater benefit or significantly positive outcomes may realistically be achieved.	**Change Management** Project risk, engagement and communication, training and implementation of new structures /systems /processes.	The University recognises that there may be an increased level of risk when delivering major change and innovation. The University professionally manages major change which includes oversight and management of risks around change.
		Partnerships and Collaboration Local, national and global engagement, cultural partnerships, civic partnerships, educational partnerships.	The University recognises that there may be an increased level of risk when developing new partnerships, and that there is a greater level of inherent risk when seeking to generate tangible value through external engagement. The University therefore accepts greater levels of residual risk, but expects that the potential benefits and risks of new relationships will always be fully understood before partnerships are developed.

Note - External risks such as political change and disruption cannot be controlled by the University, however they will be considered in the decision-making process.