



Taking a Position on Risk

Mastery | **Clarity** | **Wisdom**

Exercise: Taking a Position on Risk

Objective:

To help board members explore and articulate their individual and collective risk appetite across key categories, using the HM Government Orange Book framework as a foundation.

Key messages:

- Diverse views on risk are healthy
- Conversation matters more than RAG-rating or risk scoring
- Appetite influence ambition; board risk appetite shapes what the organisation is willing to attempt. Too cautious, and opportunities may be missed; too eager, and exposure may be unmanaged.

Steps:

1. Icebreaker: Risk and You (10 minutes)

Ask each participant to anonymously write down their answer to this question:

"What's the riskiest thing you've ever done?"

(It can be personal or professional)

Collect responses and read them out loud (with no attribution).

Use this as a light-hearted way to introduce the topic and reflect on how individuals perceive and engage with risk.

2. Organisational Self-Perception Prompt (5 minutes)

Ask participants to reflect on and discuss:

"How would you describe our organisation's current appetite for risk?"

Encourage them to consider whether it differs by function, level, or individual.

Capture key phrases and patterns on a flipchart.



3. Introduction to Risk Appetite (5 minutes)

Explain the purpose of the session: to explore how the board approaches risk and whether individual and collective perspectives are aligned.

Ask the group to

“create a scale which describes range of risk approaches from those who embrace it to those who run away”.

Introduce the HM Government Orange Book as the UK Government’s official guidance on risk management.

Explain the five risk appetite levels:

- Averse
- Minimal
- Cautious
- Open
- Eager

4. Physical Alignment Exercise (15 minutes)

Ask delegates to stand and explain that one side of the room represents risk-averse; the other side, risk-eager. Tell them that they are going to have to position themselves somewhere on the scale from risk averse to eager in a moment.

Introduce the legal risk appetites using the Orange Book statements:

Legal	Play safe and avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge.	Want to be reasonably sure we would win any challenge.	Challenge will be problematic; we are likely to win, and the gain will outweigh the adverse impact.	Chances of losing are high but exceptional benefits could be realised.
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Remind participants that this is government guidance and we can use this scale even to describe the actions of politicians - during the Brexit process, Boris Johnson’s stance on proroguing Parliament reflected a risk-eager approach – he was willing to take a legal gamble to achieve a political goal. He was willing to be taken to court but gambled that losing from legal perspective would ultimately give him a political win.

Ask participants to position themselves along the spectrum.

Invite a few to explain their choice in the context of the organisation.

Suggest a scenario and see if any of the participants change their position in the room

Imagine that a senior member of staff has been caught on camera in a compromising position with a 15 year old in the local park. She's been arrested and charged by the Police and the video has leaked onto the internet. Are you suspending on full pay and waiting for the legal process to take its course over the next 18 months or are you moving to summary dismissal? Why? What questions would you be asking your legal advisors?

5. Repeat the Exercise for Other Categories

Select two additional categories, such as:

People:

People	Priority to maintain close management control and oversight. Limited devolved authority. Limited flexibility in relation to working practices. Development investment in standard practices only.	Decision making authority held by senior management. Development investment generally in standard practices.	Seek safe and standard people policy. Decision making authority generally held by senior management.	Prepared to invest in our people to create innovative mix of skills environment. Responsibility for non-critical decisions may be devolved.	Innovation pursued - desire to 'break the mould' and challenge current working practices. High levels of devolved authority - management by trust rather than close control.
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Technology:

Technology	General avoidance of systems / technology developments.	Only essential systems / technology developments to protect current operations.	Consideration given to adoption of established / mature systems and technology improvements. Agile principles are considered.	Systems / technology developments considered to enable improved delivery. Agile principles may be followed.	New technologies viewed as a key enabler of operational delivery. Agile principles are embraced.
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Each time, ask people to move to where they think the organisation's risk appetite SHOULD be (not where is currently is, where it should be).

After each round, facilitate discussion:

- What patterns emerged?
- Did people move or stay put compared to previous rounds?
- Any surprises?

6. Exploring Variation in Appetite (10 minutes)



Discussion Prompts Reflect individually or discuss in pairs/small groups:

- Does our organisation's risk appetite vary by role, tenure, or seniority?
- Are we consistent in our approach across categories?
- Where have we been bold, and where have we held back?
- How is our risk appetite shaped by external forces such as regulators, funders or the press?
- What would we need in place to feel safe being bolder?

Ask participants:

"Thinking more broadly, i.e. about everyone one in our organisation, does the organisation's risk appetite vary by role, seniority, or experience?"

"Is this helpful or problematic?"

"Is consistency expected across categories – or can healthy variation coexist within our mission?"

7. Group Activity: Reimagining the Future (20 minutes)

In small groups, ask participants to brainstorm:

"What are some of the most amazing things our organisation could do for users/beneficiaries/pupils if only they could be sufficiently de-risked?"

Record ideas on a whiteboard/flipchart

Groups may initially struggle with the concept of thinking big/wild/amazing and you may need to prompt them with some ideas, e.g

Environmental Charities (including some very silly ideas)

- 😊 Buy and rewild large tracts of disused land near urban areas.
- 😊 Set up a national green jobs youth training scheme.
- 😊 Run climate justice litigation against major polluters.
- 😊 Host a national "Hug a Tree" competition with celebrity judges and endurance prizes.
- 😊 Occupy and convert a disused oil rig into an off-grid eco-education centre in the middle of the sea.
- 😊 Launch "Operation Leafy Takeover," where volunteers dress as trees and stage flash mobs in urban areas, "planting" themselves in concrete to demand green spaces. The campaign is led by a mascot named Treena, a talking oak tree who hosts a podcast interviewing demonstrators in squirrel and costumes.

School/Academy Trust Boards (including some very silly ideas)

- 😊 Launch a residential outdoor learning centre for all Year 6 pupils.
- 😊 Send 10% of staff each year on international sabbaticals to learn from global education systems.
- 😊 Open a free community café on every school site to build stronger family engagement.
- 😊 Let students design and run the school timetable for a week – including whether school starts at 11am.
- 😊 Create a new assessment-free "School of Curiosity" with no national curriculum constraints, built entirely on enquiry-led learning.
- 😊 Open a residential academy campus with on-site housing for vulnerable students, full wraparound care, integrated mental health services, and a family reintegration programme.
- 😊 Build a Hogwarts-style boarding school with houses, robes, and Quidditch tournaments.
- 😊 Create a fast-track leadership programme that gives 16-year-olds operational responsibility for running school departments under mentor supervision.
- 😊 Launch an underground "Rebel Academy" that operates outside government oversight, teaching radical skills like ethical hacking, guerrilla journalism, and civil disobedience to empower students. Students run covert operations to expose local injustices, guided by whistleblower mentors, risking legal repercussions but aiming for systemic change

Hospices (including some very silly ideas)

- 😊 Offer 24/7 in-home palliative care using telemedicine and rapid-response teams.
- 😊 Develop a respite holiday home for carers and families.
- 😊 Create an accredited training school for end-of-life care open to the public.
- 😊 Introduce llama therapy, with resident llamas attending morning meetings and walking rounds.
- 😊 Run immersive storytelling experiences where patients can choose to re-enact key moments from their life complete with actors, sets and props.

Animal Rescue Charities (including some very silly ideas)

- 😊 Operate a mobile animal hospital to reach rural or deprived areas.
- 😊 Create a pet fostering programme for families in temporary housing.
- 😊 Partner with major retail chains to place real-time adoption kiosks in-store.
- 😊 Open a 'Cat Café Bus' that roams the country offering tea and tabbies on tour.
- 😊 Develop a sanctuary where humans and wild animals cohabit in open enclosures for therapeutic experiences (with appropriate safety... hopefully).
- 😊 Launch an international sanctuary network with drone-assisted rescue, rehabilitation centres in every UK region, and a permanent veterinary air ambulance for wildlife emergencies.
- 😊 Adopt a llama as the charity mascot and run it for Mayor for the publicity.
- 😊 Introduce a roaming mobile unit that actively intervenes in illegal or cruel animal trades in partnership with investigative journalists.
- 😊 Fit GoPro cameras to dolphins to live stream the activities of illegal fishing trawlers
- 😊 Hold online vote to decide which rescue animals get fed luxury diet and which get basic rations

Arts Organisations (including some very silly ideas)

- 😊 Take a full-scale production on a national tour of care homes and hospitals.
- 😊 Commission vulnerable groups to co-design a major exhibition.
- 😊 Build a digital platform to stream performances live from community venues.
- 😊 Launch the first-ever “silent opera” where audience wears noise-cancelling headphones and mimes along.
- 😊 Stage live public performances in unpredictable locations - motorways, rooftops, or during rush hour on the Tube - all filmed in real-time.

Ask groups to pick one of the ideas generated by participants and draft 5 reasons why it's a good idea (whether they agree with it or not!)

Each group presents their idea and the reasons why it's a good idea.



Choose an idea (might be the funniest, the one which the group disliked most, the most popular, etc.) and ask the whole group to consider:

"What is the minimum amount of de-risking required before it could be seriously considered?"

8. Wrap-Up and Next Steps (5 minutes)

Ask the group to comment on discussions during the session

What themes or innovations stood out?

How did thinking shift when challenged to be bold and innovative?

Summarise key insights and invite observations.

Share the availability of the downloadable **Risk Appetite Tool**, available from:

<https://mcw.org.uk/public-files>

If using the tool, recommend:

- Renaming the individual response tabs before distribution.
- Sharing via SharePoint or OneDrive with restricted access.
- Alternatively, distribute personalised copies and collate manually.
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Facilitator Briefing:

Session Duration: 60 to 90 minutes

Materials Needed:

- Flipchart or whiteboard and pens
- Category prompts (e.g., Legal, People, Financial)
- Optional: printed slips with the [Orange Book appetite definitions](#) (pages 13-14) for reference (preprepared sheets for printing and cutting included in this guide)
- Access details for the downloadable Risk Appetite Tool (referenced in next steps)

Preparation:

- Ensure you have a large room with sufficient space to allow participants to move around.
- Prepare printed or projected versions of the Orange Book's five-point risk appetite scale: Averse, Minimal, Cautious, Open, Eager.
- Create signage or markers to place at opposite ends of the room to indicate the spectrum ("Risk Averse" on one side, "Risk Eager" on the other).
- Have a whiteboard or flip chart available to record themes and insights.

Facilitator Intro Script:

"Today's workshop is designed specifically for boards like yours – teams making strategic decisions in complex, often resource-constrained environments.

Risk is unavoidable. In fact, it's an essential part of leadership. But the way we talk about risk – our appetite for it – often goes unspoken or misunderstood. That's where this session comes in.

We're not here to run a risk register or complete a compliance exercise. We're here to explore:

- *how we each relate to risk,*
- *how aligned or varied our views might be across key categories, and*
- *what that tells us about our current capacity for boldness, caution, or ambition.*

We'll be drawing on the UK Government's Orange Book, which sets out five levels of risk appetite – from Averse to Eager. You'll have the chance to reflect, discuss, move around, and test your thinking with peers.

Most importantly, this is a safe, reflective space. There's no right answer – the aim is insight, not consensus. The diversity of views in the room is part of the value.

Let's begin with something light-hearted to warm us up – a quick icebreaker that reminds us all: we each have our own personal relationship with risk."

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Each of our workshop plans encourages structured, values-driven thinking. Use them to bring mastery, clarity and wisdom to your organisation.

For help facilitating our activities or adapting them to your board or trust, contact Mastery | Clarity | Wisdom Ltd.

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