

Astrea Academy Trust – Risk Appetite Statement

Spring 2024

Introduction

This Risk Appetite Statement serves as a guiding compass for the Trust’s approach to risk management. It articulates the level of risk that the Board is willing to accept in pursuit of its objectives, striking a crucial balance between ambition and prudence. It seeks to answer the important question: how much uncertainty and failure is the Trust prepared to risk in order to achieve its aims?

This statement outlines the organisation's risk tolerance thresholds, setting clear boundaries that enable informed decision-making at all levels. By defining acceptable risk parameters, it empowers stakeholders to align strategies, allocate resources, and foster a culture of responsible risk-taking.

Methodology

Risks are categorised into broad areas: Educational; Financial; Legal and Governance; Operational; Safeguarding; and Strategic and Reputational. The appetite statement uses the following terms:

Risk Appetite	Description
Opposed	Avoidance of risk and uncertainty is key objective
Minimalist	Preference for safe options that have a low degree of inherent risk
Cautious	Preference for safe options that have a low degree of residual risk
Moderate	Willing to consider all options and choose one that is most likely to result in successful delivery
Innovative	Eager to be innovative and to choose options that suspend previously held assumptions and accept greater uncertainty

Ownership and Review

The Risk Appetite Statement is owned by the Board of Trustees and administered by the Assistant CEO. It will be reviewed at least annually by the Audit and Risk Assurance Committee, with recommendations presented to the Board. For more information on this document, contact governance@astreaacademytrust.org, FAO The Assistant CEO.

Long-Term Prospectus

The Trust is likely always to maintain a very low appetite for regulatory risk, especially in respect of safeguarding.

Having taken risks to secure improvements in educational performance and in having the right people, the marginal return on risk is likely to be lower and therefore the Trust’s appetite in these areas is likely to settle from ‘moderate’ to ‘cautious’ or lower.

Some areas have pursued a low risk, low return strategy, with priority have been given to stability in order to allow for more transformation elsewhere. Where the Trust is currently ‘cautious’ or only just ‘moderate’ regarding risk in areas where greater risk can yield more reward, the appetite is likely to increase. Environmental sustainability, technology, investments and the use of the estate are likely examples of this.

Risk Appetite Summary

Safeguarding - Opposed

Keeping children safe is fundamental to the Trust's moral and organisational purpose and a fundamental underpinning of its vision to ensure that children learn, thrive and lead successful lives. Minimising safeguarding risk, through preventing, detecting and responding to concerns, whilst appreciating that it can never be eliminated completely, is prioritised throughout the Trust's work.

Health and Safety – Opposed

Keeping children, staff and visitors safe is an operational priority for the Trust. Minimising health and safety risk, whilst appreciating that it can never be eliminated completely, is prioritised throughout the Trust's work.

Reputation – Moderate

The Trust must maintain a strong reputation for ethical conduct, the quality of its work, financial resilience and its appeal as an employer. The Trust is willing to entertain reputational risk where this is a consequence of delivering educational improvements, positioning itself as an employer of choice, or where it is necessary to ensure financial sustainability and efficiency.

Financial Controls and Regularity – Opposed

The Trust welcomes the stringent standards of financial control expected of it and applies these in order to maintain financial security and to support efficiency. Decision-makers give close consideration to the principles of spending public money.

Financial Performance and Sustainability – Cautious

Financial sustainability is valued very highly, not for its own sake but because it allows for long-term decision-making and investment in education. These end goals are prioritised and the Trust is willing to run short-term risks where it is confident that mitigations will be effective. The Trust has a growing appetite for risk in financial investments.

Quality of Educational Delivery – Moderate, moving to Cautious

The Trust will prioritise educational delivery and accepts that this can carry reputational, financial, employment and other risks, including short-term educational risk. The Trust's approaches are well-founded on research and professional experience, reducing the risk of failure. As approaches embed, the need for greater risk reduces on aggregate, although it might increase in certain schools or subject areas.

Content of Curriculum – Moderate, aspiring to be Innovative

The Trust is ambitious that its students learn “the best that has been thought and said” through the curriculum. The current strategy aims to remedy weaknesses across a number of curriculum areas and so, whilst ambitious relative to its starting point, the Trust's approach to the curriculum remains moderate in its acceptance of risk. As these strengths embed, the Trust's curriculum development will aim to be ever-more innovative, advancing the boundaries of high curriculum expectations.

Inspection Outcomes – Cautious

The Trust recognises its responsibility to reassure the public and official stakeholders as to the quality of its provision. It is also the case that adverse judgements trigger regulatory interventions which limit the Trust's freedom to innovate and harm its reputation. The Trust will, therefore, seek to avoid residual risk of negative Ofsted judgements, whilst maintaining a balance with substantive educational delivery associated risks.

People and culture – Moderate

The Trust is willing to innovate in order to be an employer of choice and will take risks to secure this position. The Trust will also take financial risks to ensure that it has the right adults for the children in its care. Further risk is likely to be entailed as part of continued transformation, including resourcing of capital requirements.

Estates – Minimalist

The Trust's capital budget is severely constrained, limiting its appetite for risk in this area and necessitating a focus on remedial and compliance activities.

Environmental Sustainability – Moderate

The Trust is ambitious to support environmental sustainability, particularly in respect of the use of its estate, and is willing to innovate in this area. Given financial constraints, the Trust tolerates a lower level of uncertainty than if it were 'enterprising' and priority is given to sustainability efforts that save or generate funds.

Technology Infrastructure – Minimalist, moving to Cautious, aspiring to be Innovative

Given historical resourcing constraints, the Trust recognises that its approach to technology infrastructure risk has been 'minimalist'. Greater uncertainty will need to be entertained in this area in order to yield longer-term benefits and, with the stabilisation of educational and people risk, the Trust's appetite for this increases. Once a sounder footing is achieved, the Trust aspires to be more innovative in order to harness the advantages of technology, whilst recognising greater risk.

Information and Insights – Minimalist

A minimalist appetite for data protection risk acknowledges opposition to risk of data breaches, reflects the data protection principle of minimisation and reflects that openness of information sharing is necessary in order to make powerful use of data and insights.

Strategy – Moderate, moving to Innovative

The Trust's priority, articulated in *Astrea 2025*, has been to secure the basics where they were previously too loosely embedded. This has self-consciously been at the expense of pursuing more innovative opportunities. Having achieved a sustained trajectory towards 100% 'Good' or better schools with improving outcomes, the Trust's next strategic cycle aims to be more innovative.