

Extract from Risk Mangement Policy

Appendix B

Risk Matrix

Level of Strategic Risk

Likelihood	4	4	12	20	28
	3	3	9	15	21
	2	2	6	10	14
	1	1	3	5	7
Likelihood x Impact = Overall Risk level		1	3	5	7
Impact					

Likelihood Guidance

Likelihood	Likelihood Ratings			
	1	2	3	4
Description	Might happen on rare occasions	Will possibly happen, possibly on several occasions	Will probably happen, possibly at regular intervals	Likely to happen, possibly frequently
Numerical Likelihood	Less than 10%	Less than 50%	50% or more	75% or more

Severity of Impact Guidance

N.B. Risk to be assessed against all of the Categories, and the highest score used in the matrix.

Impact Category	Impact Levels			
	1	3	5	7

Service provision	Very limited effect (positive or negative) on service provision. Impact can be managed within normal working arrangements	<p>Noticeable and significant effect (positive or negative) on service provision.</p> <p>Effect may require some additional resource, but manageable in a reasonable time frame.</p>	<p>Severe effect on service provision or a Corporate Strategic Plan priority area.</p> <p>Effect may require considerable additional resource but will not require a major strategy change.</p>	<p>Extremely severe service disruption. Significant customer opposition. Legal action.</p> <p>Effect could not be managed within a reasonable time frame or by a short term allocation of resources, and may require major strategy changes. The Council risks 'special measures'</p> <p>Officer / Member forced to resign.</p>
Communities	Minimal impact on community	Noticeable (positive or negative) impact on the community or a more manageable impact on a smaller number of vulnerable groups / individuals which is not likely to last more than six months.	A more severe but manageable impact (positive or negative) on a significant number of vulnerable groups / individuals which is not likely to last more than twelve months.	A lasting and noticeable impact on a significant number of vulnerable groups / individuals.
Environmental	No effect (positive or negative) on the natural and built environment.	Short term effect (positive or negative) on the natural and or built environment.	Serious local discharge of pollutant or source of community annoyance that requires remedial action.	Lasting effect on the natural and or built environment.
Financial Loss / Gain	Under £0.5m	Between £0.5m - £3m	Between £3m - £5m	More than £5m
Fraud & Corruption Loss	Under £50k	Between £50k - £100k	Between £100k - £1m	More than £1m
Legal	No significant legal implications or action is anticipated	Tribunal / BCC legal team involvement required (potential for claim)	Criminal prosecution anticipated and / or civil litigation.	Criminal prosecution anticipated and or civil litigation (> 1 person)
Personal Safety	Minor injury to citizens or colleagues.	Significant injury or ill health of citizens or colleagues causing short-term disability / absence from work.	Major injury or ill health of citizens or colleagues may result in. long term disability / absence from work.	<p>Death of citizen(s) or colleague(s).</p> <p>Significant long-term disability / absence from work.</p>

Programme / Project Management <i>(Including developing commercial enterprises)</i>	<p>Minor delays and/or budget overspend, but can be brought back on schedule with this project stage.</p> <p>No threat to delivery of the project on time and to budget and no threat to identified benefits / outcomes.</p>	<p>Slippage causes significant delay to delivery of key project milestones, and/or budget overspends.</p> <p>No threat to overall delivery of the project and the identified benefits / outcomes.</p>	<p>Slippage causes significant delay to delivery of key project milestones; and/or major budget overspends.</p> <p>Major threat to delivery of the project on time and to budget, and achievement of one or more benefits / outcomes.</p>	<p>Significant issues threaten delivery of the entire project.</p> <p>Could lead to project being cancelled or put on hold.</p>
Reputation	<p>Minimal and transient loss of public or partner trust. Contained within the individual service.</p>	<p>Significant public or partner interest although limited potential for enhancement of, or damage to, reputation.</p> <p>Dissatisfaction reported through Council Complaints procedure but contained within the Council.</p> <p>Local MP involvement.</p> <p>Some local media/social media interest.</p>	<p>Serious potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council.</p> <p>Dissatisfaction regularly reported through Council Complaints procedure.</p> <p>Higher levels of local or national interest.</p> <p>Higher levels of local media / social media interest.</p>	<p>Highly significant potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council.</p> <p>Intense local, national and potentially international media attention.</p> <p>Viral social media or online pick-up.</p> <p>Public enquiry or poor external assessor report.</p>

Risk Scores – Required Action and Escalation:

Negative Risks (Threats)	
Level	Actions Required
1 - 5	Low: May not need any further action / monitor at the service level.
6 - 12	Medium: Action required, manage and monitor at the Directorate level.
14-21	High: Must be addressed – if Directorate level consider escalating to the Corporate Risk Register, if Corporate consider escalating to the Cabinet Lead.

28	Critical: Action required - escalate (if a Directorate level risk, escalate to the Corporate Level, if Corporate bring to the attention of the Cabinet Lead to confirm action to be taken).
Positive Risks (Opportunities)	Where the risk is an opportunity, a cost benefit analysis is required to determine whether the opportunity is worth pursuing, guided by the score for the matrix, e.g. an opportunity with a score of 28 would be pursued as it would offer considerable benefits for little risk.