

Risk Impact Measurement Criteria

Scale	Description	Departmental Service Plan	Internal Operations	People	Reputation	Financial per annum / per loss
1	Negligible	No impact to objectives in service plan	Limited disruption to operations and service quality satisfactory	N/A	Public concern restricted to local complaints	<£50k
2	Low	Minor impact to service as objectives in service plan are not met	Short term disruption to operations resulting in a minor adverse impact on partnerships and minimal reduction in service quality	Residents inconvenienced	Minor adverse local / public / media attention and complaints	£50k-£250k
3	Medium	Considerable fall in service as objectives in service plan are not met	Sustained low level disruption to operations / Relevant partnership relationships strained / Service quality not satisfactory	Potential for minor physical injuries / Stressful experience	Adverse local media public attention	£250k - £500k
4	High	Major impact to services as objectives in service plan are not met	Serious disruption to operations with relationships in major partnerships affected / Service quality not acceptable with adverse impact on front line services	Exposure to dangerous conditions creating potential for serious physical or mental harm	Serious negative regional criticism, with some national coverage	£500-£750k
5	Very High	Significant fall/failure in service as objectives in service plan are not met	Long term serious interruption to operations / Major partnerships under threat / Service quality not acceptable with impact on front line services	Exposure to dangerous conditions leading to potential loss of life or permanent physical/mental damage	Prolonged regional and national condemnation, with serious damage to the reputation of the organisation	>£750k

Risk Likelihood Measurement Criteria

Scale	Likelihood of Occurrence	Projects	Probability %
1	Expected less than 1 time in next 10 years	1 in every 50 projects	0-5%
2	Expected 1 time in next 5 to 10 years	1 in every 25 projects	6-20%
3	Expected 1 time in 3 to 4 years	1 in every 12 projects	21-40%

4	Expected 1 time in 2 years	1 in every 6 projects	41-60%
5	Expected annually	1 in every 3 projects	66% +

Risk Management Matrix

Impact						
5	Very High	5	10	15	20	25
4	High	4	8	12	16	20
3	Medium	3	6	9	12	15
2	Low	2	4	6	8	10
1	Negligible	1	2	3	4	5
		1	2	3	4	5
		Rare	Unlikely	Possible	Probable	Almost certain
						Likelihood

Tolerance LevelsCurrent Risk ScoreExpected Actions by Risk Owners

White	1 to 2	Contingency Plans =	No action required
		Monitoring =	No action required
		Escalation =	No action required

Low	3 to 5	Contingency Plans =	Not essential
		Monitoring =	Review once a year / Reporting with service area
		Escalation =	Service area manager

Medium	6 to 12	Contingency =	Contingency plans considered
		Monitoring =	Review at least twice a year / Reporting to DMT
		Escalation =	Business Partners / Relevant AD / DMT

High	15 to 25	Contingency =	Comprehensive contingency plans
		Monitoring =	Quarterly Monitoring / Reporting to Corporate Governance Committee
		Escalation =	Chief Officer / CMT / Lead Member