

**Risk Matrix – Taken from Risk Management Policy**

**Risk Matrix**

<b>Likelihood</b>	<b>6</b>	Low Risk	High Risk	High Risk	High Risk
	<b>5</b>	Low Risk	High Risk	High Risk	High Risk
	<b>4</b>	Low Risk	Medium Risk	High Risk	High Risk
	<b>3</b>	Low Risk	Medium Risk	Medium Risk	High Risk
	<b>2</b>	Low Risk	Medium Risk	Medium Risk	Medium Risk
	<b>1</b>	Low Risk	Low Risk	Medium Risk	Medium Risk
			<b>I</b>	<b>II</b>	<b>III</b>
<b>Impact</b>					

- 1.1. The table below gives some examples of the types of ‘impact’ that would be classed as ‘catastrophic’, ‘significant’ and ‘minor’ as a guide to assist in determining the impact of the risk:

<b>Impacts</b>				
<b>Category</b>	<b>Negligible (I)</b>	<b>Marginal (II)</b>	<b>Critical (III)</b>	<b>Catastrophic (IV)</b>
Financial Impact	£0k - £50k	£50k - £3m	£3m - £10m	£10m plus
Service Provision	Minor deterioration in service	Service suspended for 1-2 days	Service suspended for 2-7 days	Service suspended for more than 7 days
Health & Safety	Bruising	Broken Bones	Permanent Disability	Death
Corporate Objectives	Staff objective not met	Team objective not met	Business Unit objective not met	Council Plan objectives not met
Reputation	Short term local media attention	Sustained local media attention	Short term national media attention	Sustained national media attention

- 1.2. The table below should give guidance on how to measure 'likelihood'. This will enable a level of consistency in the approach across the organisation:

<b>Likelihood</b>	<b>Probability</b>
<b>Almost Impossible (1)</b>	Less than 5% chance
<b>Low (2)</b>	More than 5% chance but less than a 15% chance
<b>Possible (3)</b>	More than 15% chance but less than a 50% chance
<b>Significant (4)</b>	More than a 50% chance but less than 85% chance
<b>High (5)</b>	More than 85% chance but less than 95% chance
<b>Very High (6)</b>	More than 95% chance

- 1.3. The table below provides areas for consideration when identifying risks:

<b>Risk Category</b>	<b>Description</b>
Political	Those risks associated with delivering either local or central government policy.
Social	Those risks arising from the effects of demographic, residential or socio-economic trends.
Regulatory	Those associated with current or potential changes in national or European law.
Financial	Those affecting the ability of the Authority to meet its financial commitments. These include internal budgetary pressures, the failure to purchase adequate insurance, the consequences of proposed investment decisions or the loss of opportunity, lack of availability of capital investment, interest rate instability and inflation, etc.
Technological	Those affecting the capacity to deal with the pace and scale of technological change, or the ability to use technology to address changing demands.  May also include the consequences of internal technological failures on the council's ability to deliver its objectives.

Risk Category	Description
People	For example, recruitment/retention of qualified staff, over reliance on key officers or inability to implement change. Also, lack of clarity over roles and responsibilities.
Reputation	For example, bad publicity in local press over an extended period, items in the national press, matters raised in Parliament or the EU.
Information	Those associated with the security, accuracy, timeliness of any information held or given by the organisation.
Environmental	Risks relating to the environmental impact of our service delivery (e.g. energy efficiency, pollution, recycling etc). Risks associated with pollution, noise or the energy efficiency of on-going service operations.