

Risk Scoring Matrix



LIKELIHOOD	Event is almost certain to occur in most circumstances	>70%	Almost Certain	A					
	Event likely to occur in most circumstances	30-70%	Likely	B					
	Event will possibly occur at some time	10-30%	Possible	C					
	Event unlikely and may occur at some time	1-10%	Unlikely	D					
	Event rare and may occur only in exceptional circumstances	<1%	Rare	E					
					5	4	3	2	1
					Very Low	Low	Medium	High	Very High
Service Performance		Minor errors or disruption	Some disruption to activities/customers	Disruption to core activities/customers	Significant disruption to core activities. Key targets missed	Unable to deliver core activities. Strategic aims compromised			
Reputation		Trust recoverable with little effort or cost	Trust recoverable at modest cost with resource allocation within budgets	Trust recovery demands cost authorisation beyond existing budgets	Trust recoverable at considerable cost and management attention	Trust severely damaged and full recovery questionable and costly			
Financial Cost (£)		<£50k	£50k - £250k	£250k - £1 m	£1 m - £5 m	>£5m			
IMPACT									

The combination of impact and likelihood results in a risk exposure rating of:

- Minor** Risk easily managed locally – no need to involve management
- Moderate** Risk containable at service level – senior management and SLT may need to be kept informed
- Major** Intervention by SLT with Cabinet involvement
- Critical** Significant SLT and Cabinet intervention

Risk Appetite (Agreed September 2019)

The following table summarises our risk appetite in relation to different aspects of council business:

Classification and description				
 Unacceptable to take risks		 Willingness to take risks		
Adverse	Minimalist	Cautious	Open	Hungry
Avoidance of risk and uncertainty is a key organisational objective	Preference for ultra-safe options that have a low degree of inherent risk and have a potential for only limited reward	Preference for safe options that have a medium degree of inherent risk and may have some potential for rewards	Willing to consider all options and choose one that is most likely to result in successful delivery with an acceptable level of reward (and value for money)	Eager to be innovative and to choose options offering potentially higher business rewards despite greater inherent risk
Reputation & Credibility				
Operational & Policy Delivery				
Financial		<i>(Treasury Management)</i>	<i>(Projects)</i>	
Compliance & Regulation				
People (Workforce)	<i>(Terms & Conditions)</i>	<i>(Learning & Development)</i>		