



Appendix 2: Risk Scoring Matrix

Grading the likelihood of an event

Grade	% chance	Description
A: Almost Certain	Over 70%	Event is almost certain to occur in most circumstances
B: Likely	30% to 70%	Event likely to occur in most circumstances
C: Possible	10% to 30%	Event will possibly occur at some time
D: Unlikely	1% to 10%	Event unlikely and may occur at some time
E: Rare	Under 1%	Event rare and may occur only in exceptional circumstances

Rating the impact of an event

Rating	Time / cost / objectives	Service performance	Reputation	Financial cost
1: Very High	More than 50% increase to project time or cost. Project fails to meet objectives or scope.	Unable to deliver core activities. Strategic aims compromised.	Trust severely damaged and full recovery questionable and costly.	Over £5million

Rating	Time / cost / objectives	Service performance	Reputation	Financial cost
2: High	20% to 50% increase to project time or cost. Impact on project scope or objectives unacceptable to sponsor.	Significant disruption to core activities. Key targets missed.	Trust recoverable at considerable cost and management attention.	£1million to £5million
3: Medium	5% to 20% increase to project time or cost. Major impact on project scope or objectives requiring sponsor approval.	Disruption to core activities / customers	Trust recovery demands cost authorisation beyond existing budgets.	£350,000 to £1million
4: Low	Less than 5% increase to project time or cost. Minor impact on project scope or objectives.	Some disruption to core activities / customers	Trust recoverable at modest cost with resource allocation within budgets	£50,000 to £350,000
5: Very Low	Insignificant increase to project time or cost. Barely noticeable impact on project scope or objectives.	Minor errors or disruption.	Trust recoverable with little effort or cost.	Less than £50,000

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

Risk Score	Risk Severity	Escalation Criteria
C5, D4, D5, E4, E5	Minor	Risk easily managed locally – no need to involve management
A5, B4, B5, C3, C4, D3, E2, E3	Moderate	Risk containable at service level – senior management and SLT may need to be kept informed
A3, A4, B3, C2, D1, D2, E1	Major	Intervention by SLT with Cabinet involvement
A1, A2, B1, B2, C1	Critical	Significant SLT and Cabinet intervention