

**Risk Analysis & Scoring**

Once risks have been identified they need to be assessed systematically and accurately. The process requires managers to assess the level of risk by considering the probability of an event occurring - 'likelihood' and the potential outcome of the consequences should such an event occur - 'impact'. Managers will assess each element of the judgement and determine the score. The tables below give the scores and indicative definitions for each element of the risk ranking process:-

Score	Likelihood	Threat / Risk
5	Almost Certain (80-100%)	Is expected to occur in most circumstances. Will undoubtedly happen, possibly frequently e.g. Annually or more frequently. Imminent/near miss.
4	Likely (50-80%)	Will probably occur in many circumstances. Will probably happen, but not a persistent issue e.g. Once in 3 years. Has happened in the past.
3	Possible (25-50%)	Could occur in certain circumstances. May happen occasionally, e.g. Once in 10 years. Has happened elsewhere.
2	Unlikely (10-25%)	May occur only in exceptional circumstances. Not expected to happen, but is possible e.g. Once in 25 years. Not known in this activity.
1	Rare (0-10%)	Is never likely to occur. Very unlikely this will ever happen e.g. Once in 100 years.
Score	Impact	Threat / Risk
5	Catastrophic Risk	Risks which can have a catastrophic effect on the operation of the Council or service. This may result in critical financial loss, severe service disruption or a severe impact on the public. Examples:- Unable to function without aid of Government or other external agency; Inability to fulfil obligations; Medium - long term damage to service capability; Severe financial loss - supplementary estimate needed which will have a catastrophic impact on the Council's financial plan and resources are unlikely to be available; Death; Adverse national publicity - highly damaging, severe loss of public confidence; Significant public interest; Litigation certain and difficult to defend; Breaches of law punishable by imprisonment; Very significant exposure of public funds with funding being managed across organisations and complex reporting; Total project budget in excess of £5,000,000.
4	Major Risk	Risks which can have a major effect on the operation of the Council or service. This may result in major financial loss, major service disruption or a significant impact on the public. Examples:- Significant impact on service objectives; Short - medium term impairment to service capability; Major financial loss - supplementary estimate needed which will have a major impact on the Council's financial plan; Extensive injuries, major permanent harm, long term sick; Major adverse local publicity, major loss of confidence; Litigation likely and may be difficult to defend; Breaches of law punishable by fines or possible imprisonment; Relatively large budget £1m-£5m
3	Moderate Risk	Risks which have a noticeable effect on the services provided. Each one will cause a degree of disruption to service provision and impinge on the budget. Examples:- Service objectives partially achievable; Short term disruption to service capability; Significant financial loss - supplementary estimate needed which will have an impact on the Council's financial plan; Medical treatment required, semi-permanent harm up to 1 year; Some adverse publicity, needs careful public relations; High potential for complaint, litigation possible; Breaches of law punishable by fines only; Budget of up to £500k - £1m

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2	Minor Risk	<p>Risks where the consequences will not be severe and any associated losses will be minor. As individual occurrences they will have a negligible effect on service provision. However, if action is not taken, then such risks may have a more significant cumulative effect. Examples:-</p> <ul style="list-style-type: none"> <li>Minor impact on service objectives;</li> <li>No significant disruption to service capability;</li> <li>Moderate financial loss - can be accommodated at HOS level;</li> <li>First aid treatment, non-permanent harm up to 1 month;</li> <li>Some public embarrassment, no damage to reputation;</li> <li>May result in complaints/litigation;</li> <li>Breaches of regulations/standards;</li> <li>Budget within delegation.</li> </ul>
1	Insignificant Risk	<p>Risks where the consequences will not be severe and any associated losses will be relatively small. As individual occurrences they will have a negligible effect on service provision. However, if action is not taken, then such risks may have a more significant cumulative effect. Examples:-</p> <ul style="list-style-type: none"> <li>Minimal impact, no service disruption;</li> <li>Negligible impact on service capability;</li> <li>Minimal loss - can be accommodated at SAC level;</li> <li>No obvious harm/injury;</li> <li>Unlikely to cause any adverse publicity, internal only;</li> <li>Breaches of local procedures/standards;</li> <li>Budget within delegation and relatively small or within operational costs.</li> </ul>