

## Risk Scoring Methodology

### Impact Score

The following descriptions and definitions of impact are indicative and not exhaustive. They are a guide to assist you in assessing the impact of the risk **should** it occur.

Description	Factor	Score
<ul style="list-style-type: none"> <li>Brief disruption of service area – up to 1 day</li> <li>No or insignificant environmental damage</li> <li>Financial loss &lt; £5,000</li> <li>Minor injury (first aid treatment) to an individual or several people</li> <li>Complaint from member of public</li> <li>Litigation/claims/fines up to £5,000</li> <li>No reputational damage – little or no local press interest</li> </ul>	Minor	1
<ul style="list-style-type: none"> <li>Service disruption 2-3 days</li> <li>Adverse effect on services in one or more areas for a period of several weeks</li> <li>Financial loss &lt; £25,000</li> <li>Adverse local publicity</li> <li>Significant injury to an individual or several people – medical treatment required</li> <li>Litigation/claims/fines up to £25,000</li> </ul>	Significant	2
<ul style="list-style-type: none"> <li>Service disruption 3-5 days</li> <li>Complete loss of service area for 3-5 days</li> <li>Financial loss up to £50,000</li> <li>Adverse publicity in professional/municipal press</li> <li>Adverse local publicity of a persistent nature</li> <li>Major injury to an individual or several people</li> <li>Litigation/claims/fines up to £50,000</li> </ul>	Serious	3
<ul style="list-style-type: none"> <li>Service disruption 5+ days</li> <li>Major loss of service, including several important areas, and/or for a protracted period</li> <li>Financial loss &gt;£50,000</li> <li>Adverse and persistent national media coverage</li> <li>Adverse central government response, involving (threat of) removal of delegated powers</li> <li>Officers and/or Members forced to resign</li> <li>Loss of life</li> <li>Litigation/claims/fines &gt;£50,000</li> </ul>	Major	4

## Likelihood Score

The following descriptions and definitions of likelihood of the risk occurring are intended as a guide to assist you in arriving at your risk score.

Description	Indicators	Factor	Score
Less than 10% chance of occurrence	Has happened rarely/never before	Very unlikely	1
10 – 40% chance of occurrence	Only likely to happen every 3 or more years	Unlikely	2
40-75% chance of occurrence	Likely to happen at some point within the next 1–2 years. Circumstances occasionally encountered – few times a year	Likely	3
More than 75% chance of occurrence	Regular occurrence Circumstances frequently encountered – daily, weekly, monthly	Very likely	4

## Scoring the risk

The charts above are designed to help you score the risks in terms of likelihood and impact.

This is carried out in two stages:

- Multiply the likelihood and impact scores together, as if there were **no** controls in place. This will give you an inherent risk score.
- With the list of controls that are currently in place, re-score the risk, taking into account the effect of these controls.

These final scores will give you a risk profile of those risks that may need more immediate attention.

Risk Score	Overall Rating
12 - 16	HIGH
6 - 10	MEDIUM
1 - 4	LOW

Level of Risk / (Inherent Risk Score)	Managing the risk
High Risk (12-16)	<p><b>Requires active management</b> High impact / High likelihood: risk requires active management to manage down and maintain exposure at an acceptable level</p> <p><b>Contingency Plans</b> A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from profile</p>
Medium Risk (6-10)	<p><b>Good Housekeeping</b> May require some risk mitigation to reduce likelihood if this can be done cost effectively, but good housekeeping to ensure the impact remains low should be adequate. Reassess frequently to ensure conditions remain same</p> <p><b>Contingency Plans</b> A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from profile</p>
Low Risk (1-4)	<p><b>Review Periodically</b> Only put mitigations in place if it's cost effective to do so</p>