

# Report

## Governance and Audit Committee

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### Part 1

Date: 27 May 2021

Item No: 7

### **Subject** Quarter 4 2020/21 Corporate Risk Register Update

**Purpose** To present an update of the Corporate Risk Register for the end of quarter 4 (1<sup>st</sup> January to 31<sup>st</sup> March 2021).

**Author** Head of People and Business Change

**Ward** All

**Summary** The Council's Corporate Risk Register monitors those risks that may prevent the Council from achieving its Corporate Plan or delivering services to its communities and service users in Newport.

At the end of quarter 4, the Council had 46 risks across its eight service areas. Eighteen of the 46 risks were recorded in the Council's Corporate Risk Register and considered to have a significant impact on the achievement of the Council's objectives and statutory obligations. At the end of quarter four, there were no risks closed or escalated from the service area risk registers. Overall, there were 11 Severe risks (risk scores 15 to 25); 4 Major risks (risk scores 7 to 14); 2 Moderate risks (risk scores 4 to 6) and 1 Low Risk (1 to 3) that are outlined in the report.

The role of the Governance and Audit Committee is to review and monitor the corporate governance and risk management arrangements in place, with comments and recommendations of the Committee on risk process considered by Cabinet.

**Proposal** The Governance and Audit Committee is asked to consider the contents of this report and assess the risk management arrangements for the Authority, providing any additional commentary and/or recommendations to Cabinet.

**Action by** Corporate Management Team and Heads of Service

**Timetable** Immediate

This report was prepared after consultation with:

- Corporate Management Team

**Signed**

## **Background**

The Wellbeing of Future Generations (Wales) Act 2015, requires Newport City Council to set Wellbeing Objectives in its Corporate Plan 2017-22. With any Corporate Plan there will be risks that may prevent the Council from achieving its objectives. The Council's Risk Management Policy and Corporate Risk Register enables the Council to effectively identify, manage and monitor those risks to ensure that the Council realises its Plan and ensure service delivery is provided to its communities and citizens. In July 2020 the new Risk Management Policy for 2020-22 was approved by the leader of the Council. This policy is attached as part of the background papers of this report for reference.

In February 2021, the Local Government and Elections Bill received Royal Assent and changes the role and responsibilities of the Council's Governance and Audit Committee in relation to the performance and governance arrangements of authority and other constitutional changes. In April 2021, the Council's Democratic Services agreed to update the terms of reference of the Governance and Audit Committee to reflect these changes in the Act. The role and responsibilities of the Governance and Audit Committee remains the same in the review and assessment of the Council's corporate governance and risk management arrangements in place with comments and recommendations of the Committee on risk process considered by Cabinet.

The Council has set up a working group to review and implement the new legislative requirements over the next year.

## **Covid-19 / Brexit, Newport City Council Response**

Throughout the last year, Newport City Council has continued to focus on supporting front-line services, protecting lives and minimising the spread of Covid-19. As part of the Council's Civil Contingencies arrangements, the Council's Gold Command group consisting of Heads of Service and Chief Executive to monitor the situation; and to manage emerging operational / community risks. This group also links into the wider Strategic Coordination Group and Welsh Government structures and these arrangements remain in place at the time of this report.

Similarly, the Council has continued to monitor the situation in the Brexit Trade negotiations between the UK Government and European Union. The Brexit risk score presented in this report reflects the position at the time (31<sup>st</sup> March 2021).

## **Risk Management Process**

In Newport City Council risks that may prevent or impact on the delivery of our services is continuously monitored and managed at all levels of the organisation. The following diagram below summarises how risks are continuously managed in Newport City Council.

There are many different sources of risks, such as civil contingencies, health & safety, service delivery and projects throughout the organisation where risks to the delivery of the Corporate Plan, or services might be identified and included on the Council's risk register. New risks identified to be included on the register have to be assessed and evaluated to determine their risk scores (Inherent / Residual / Target), existing controls that are in place and where further mitigating controls are required to respond and reduce the overall impact of the risk to the Council. To assess risk scores Newport City Council uses a standard 5x5 matrix that is commonly adopted across Welsh and English local authorities. Appendix 1 of this report shows a heat map of the Council's corporate risks using this matrix.



All risks identified have to be initially agreed by the Head of Service. If the residual risk score is 15 or above or if the Head of Service considers the risk to have an impact on the delivery of services / achievement of objectives in Council, it is escalated to the Council's Corporate Management Team (CMT) to determine whether it is included on the Council's Corporate Risk Register or if the risk should be managed by the relevant service area(s).

All risks are recorded in the Council's 'Management Information Hub'. Every quarter, risk owners, and risk action owners are required to assess and provide an update on the risk score and mitigating actions in place. Any risk that has escalated to 15 or above is automatically escalated and requires the Directors team to consider whether it should be included on the Corporate risk register or if they are satisfied that the responsible owner and mitigating actions are effective to be managed within the service area / team.

As risk mitigating actions are completed and the risk is reduced to meet the target risk score, an assessment will be undertaken by the risk owner to determine whether the risk is closed and if the risk mitigation actions have been sufficient to mitigate the overall risk. For risks on the Corporate Risk Register this responsibility would fall onto the Risk Owner and CMT to determine if the risk can be closed.

## Quarter Four risk update

Service areas' have aligned the objectives and actions in the 2020/21 service plans with the [Council's Strategic Recovery Aims](#). Service areas also continue to consider any new and/or emerging risks that are impacting on the delivery of their services.

At the end of quarter four (to 31<sup>st</sup> March 2021), service areas had recorded 46 risks (including Corporate Risks) recorded in their risk registers. Six Service Area risks were closed.

Service Area	Q4 Risks	Risk Scores Increased since Q3	Risk Scores Decreased since Q3	No Change since Q3	New Risks (Since Q3)	Closed Risks (Since Q3)
Adult & Community Service	3	0	1	2	0	0
Children & Young People Service	3	0	0	3	0	1
City Services	6	1	0	5	0	1
Education	6	2	1	4	0	2
Finance	6	0	2	4	0	1
Law & Regulation	3	0	0	3	0	0

Service Area	Q4 Risks	Risk Scores Increased since Q3	Risk Scores Decreased since Q3	No Change since Q3	New Risks (Since Q3)	Closed Risks (Since Q3)
People & Business Change	12	1	5	6	0	0
Regeneration, Investment & Housing	7	0	3	4	0	1
<b>Total</b>	<b>46</b>	<b>3</b>	<b>12</b>	<b>31</b>	<b>0</b>	<b>6</b>

### Closed Service Area Risks

Six service area risks were closed at the end of quarter four with a summary provided below:

Service Area	Risk	Risk Description	Risk Score (as at Q4 20/21)	Target Risk Score	Commentary
<b>Children &amp; Young People Services</b>	Liability claims made against Children Services.	Historical claims made against Newport Council resulting in an increase in financial provision.	4	9	This risk score has remained at 4 for two consecutive periods and is being managed as business as usual. This risk will be subject to regular monitoring by Children Services.
<b>City Services</b>	Bids to Welsh Government (WG) for grant funding for Active Travel initiatives are unsuccessful	WG rejects applications for active travel funding and are unable to deliver the Council's Active Travel Strategy.	1	4	WG have committed to Active Travel funding for the next 3 to 5 years. This risk has remained below target for three consecutive periods.
<b>Education Services</b>	Pressure on secondary school places	Projected increase in the population of Newport will place pressure on secondary school provision.	6	6	As part of the Service Plan 2021/22, both risks will be amalgamated into one risk covering the 'Provision and planning of school places across all sectors'.
	Provision of school places	Projected increase in Newport's population will increase the number of school age children placing pressure on school places	6	4	
<b>Finance</b>	Procurement risk of non-compliance procurement taking place	Service areas not complying with the Council's Financial Regulations and Contract Standing Orders.	4	5	This risk has remained at 4 in the last year. The Council has adopted the new Procurement policy and processes are in place to continuously monitor and report on procurement

Service Area	Risk	Risk Description	Risk Score (as at Q4 20/21)	Target Risk Score	Commentary
					spending in the Council.
<b>Regeneration Investment &amp; Housing</b>	Failure to secure match funding for the Transporter Bridge redevelopment	The Council is unable to obtain necessary match funding from the Heritage Lottery Fund to deliver the Visitor Centre and maintenance of the bridge.	1	8	The Council has received the necessary Heritage Lottery Funding to deliver the project.

#### **Corporate Risk Register Update (Quarter 4)**

The role of the Corporate Management Team (CMT) is to determine whether the risk should be included on the Corporate Risk Register for monitoring or if the risk should remain in the service area(s) as a result of sufficient management action being undertaken to manage the overall risk.

Of the 46 risks, there are 18 risks that are recorded and monitored in the corporate risk register. Eleven risks did not change score between quarter 3 and quarter 4. Two risk scores had increased and three risk scores had decreased. There was also one risk that was escalated to the Corporate Risk Register (subject to CMT approval). These risks are:

- COVID-19 Pandemic Outbreak (Cross-cutting, led by People & Business Change)
- Stability of Social Services Providers (Adult & Community Services)
- Highways Network (City Services)
- Educational Out of County Placements (Education Services)
- Pressure on Adult & Community Services (Adult & Community Services)
- Ash Die Back Disease (City Services)
- Pressure on the delivery of Children Services (Children & Young People Services)
- Demand for Additional Learning Needs (ALN) and Special Educational Needs (SEN) support (Education Services)
- Balancing the Council's Medium Term budget (Finance Services)
- Schools Finance / Cost Pressures (Education Services / Finance Services)
- Cyber Security (People & Business Change)
- Pressure on Housing & Homelessness Service (Regeneration, Investment & Housing)
- Brexit – Trade Agreement (Cross Cutting, led by People & Business Change)
- City Centre Security and Safety (City Services / People & Business Change)
- In year financial management (Finance Services)
- Climate Change (Cross Cutting, led by Regeneration, Investment & Housing)
- Newport Council's Property Estate (Regeneration, Investment & Housing)
- Safeguarding (Cross Cutting, led by Children & Young People Services).

#### **Change in direction of risk score (Quarter Four)**

Risk	Service Area Cabinet Member	Q3 Risk Score	Q4 Risk Score	Commentary
<b>Brexit</b>	Corporate (People & Business Change lead) Leader of the Council	12	8	Brexit related issues and mitigating actions are reported monthly to Cabinet currently.

Risk	Service Area Cabinet Member	Q3 Risk Score	Q4 Risk Score	Commentary
<b>In Year Financial Management</b>	Finance Services Leader of the Council	6	3	Anticipated outturn suggest significant surplus position at the end of the financial year.
<b>Covid 19 Pandemic Outbreak</b>	Corporate (People & Business Change lead) Leader of the Council	25	20	The risk score has decreased to 20 at the end of quarter 4 due to the successful roll out of the vaccination programme and easing of lock down restrictions. Front line Council services continue to operate normally. However, there remains small clusters across the community, which are being managed through the Test Trace and Protect teams. The Council's Covid Recovery Group (Gold) continues to regularly meet and monitor the situation. Monthly Cabinet reports are continue to be presented providing an overview of the Council's Covid response.
<b>Newport Council's Property Estate</b>	Regeneration, Investment & Housing Cabinet Member for Assets	12	16	The risk score has increased to reflect the recent issues identified with St Andrew's Junior School in Q4 of 2020/21. However, the risk is currently being mitigated and managed utilising the Capital Maintenance Programme as well as regular monitoring. Conditions surveys continue to be undertaken across the remainder of the estate and are used to inform the allocation and priority of capital spend. We continue to work closely with other service areas, including Education to identify and secure all available sources of funding, including Welsh Government funding, for ongoing maintenance and improvements especially identifying ways of making our operational estates more energy efficient to help reach the authority's priority to be Carbon Neutral by 2030.
<b>Educational Out of County (OOC) Placements</b>	Education Cabinet Member for Education and Skills	9	12	Through the commissioning of local providers such as Newport Live, Catch 22 and Sporting Chance we have been able to access local specialist provisions which has reduced the need for specialist out of County provisions. However our special Schools Maes Ebbw and Ysgol Bryn Derw are full which increases the risk of OOC placements for complex needs pupils in the future. Extension options are being considered to ensure there are more spaces available for pupils with complex needs. Mastodon C has also been commissioned to create data projections for future specialist provision needs.

**Appendix 2** of this report is the Council's Corporate Risk Register.

### Financial Summary

There are no direct costs associated with this report.

### Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
The Council does not achieve its objectives as corporate level risks are not adequately managed and monitored.	M	L	Risk Management Strategy has been adopted and mechanisms are in place to identify, manage and escalate emerging and new risks / mitigation strategies.  Audit Committee oversight of risk management process.	Directors, Heads of Service and Performance Team

\*Taking account of proposed mitigation measures

### Links to Council Policies and Priorities

Corporate Plan 2017-22  
Strategic Recovery Aims  
Service Plans 2020/21

Robust risk management practices increase the chances that all of the Council's priorities and plans will be implemented successfully.

### Options Available and considered

1. To consider the contents of this report and assessment of the risk management arrangements for the Authority, providing any additional commentary and/or recommendations to Cabinet.
2. To request further information or reject the contents of the risk register

### Preferred Option and Why

1. Option 1 is the preferred option with recommendations raised by the Audit Committee to be considered and reported to Cabinet and Officers in accordance with the Council's Constitution.

### Comments of Chief Financial Officer

There are no direct financial implications arising from this report. The corporate risk register forms an important part of the governance and budget setting arrangements for the council and the risk register is used to guide the internal audit plan.

It is noted that overall, the corporate risk register is showing increasing scores in a number of areas at this point compared to earlier in the financial year which may require Cabinet to consider funding, either as one-off when we consider uses for any 2020/21 revenue budget underspending or for consideration in on-going funding through the Council's revenue and/or capital budgets, dependant on how those risks will be mitigated/managed.

Risks that result in financial pressures will be reflected in established ongoing monitoring and MTFP arrangements.

### Comments of Monitoring Officer

There are no specific legal issues arising from the report. As part of the Council's risk management strategy, the corporate risk register identifies those high-level risks that could impact upon the Council's ability to deliver its corporate plan objectives and essential public services. Although Audit Committee are

responsible for reviewing and assessing the Council's risk management, internal control and corporate governance arrangements, the identification of corporate risks within the risk register and monitoring the effectiveness of the mitigation measures are matters for Cabinet.

## **Comments of Head of People and Business Change**

Risk Management in the Council is a key area to implementing Wellbeing of Future Generations Act (Wales) 2015 and also provides assurance over our control and governance arrangements in the Council. As the report has highlighted, Covid 19 has had a significant impact on the delivery of Council services which have been managed through the Council's business continuity arrangements. As the Council is moving towards recovery and operating in a 'new normal' emerging opportunities and risks will have an impact on how we deliver services both in the short and long term. Having an effective risk management system and culture will be important for the Council's Cabinet and senior officers to make evidence based decisions.

## **Comments of Cabinet Member**

The Chair of Cabinet has been consulted and has agreed that this report goes forward to Audit Committee for consideration with Audit Committee comments and recommendations reported back to Cabinet in the next quarters update.

This quarter four Corporate Risk Register will be reported to the Council's Cabinet on 2<sup>nd</sup> June 2021.

## **Local issues**

None.

## **Scrutiny Committees**

Not Applicable. Audit Committee have a role in reviewing and assessing the risk management arrangements of the Authority.

## **Equalities Impact Assessment**

Not applicable.

## **Children and Families (Wales) Measure**

Not applicable.

## **Wellbeing of Future Generations (Wales) Act 2015**

Under the Wellbeing of Future Generations Act (Wales) 2015 and its 5 ways of working principles this report supports:

Long Term – Having effective risk management arrangements will ensure that the opportunities and risks that will emerge consider the long term impact on service users and communities.

Preventative – Identifying opportunities and risks will ensure the Council is able to implement necessary mitigations to prevent or minimise their impact on Council services and service users.

Collaborative – The management of risk is undertaken throughout the Council and officers collaborate together within service areas, Corporate Management Team and the Council's Cabinet to ensure decisions are made in a timely manner and are evidence based.

Involvement – The Council's Risk Management process involves officers across the Council's service areas and Cabinet Members.

Integration – Risk Management is being integrated throughout the Council and supports the integrated Planning, Performance and Risk Management Framework. The Framework ensures that planning activities consider the opportunities and risks to their implementation and overall supports the delivery of the Council's Corporate Plan and legislative duties.

## **Crime and Disorder Act 1998**

Not applicable.

## **Consultation**

As above, the Risk Register is considered by Audit Committee and Cabinet.

## **Background Papers**

Risk Management Policy 2020-22 v1

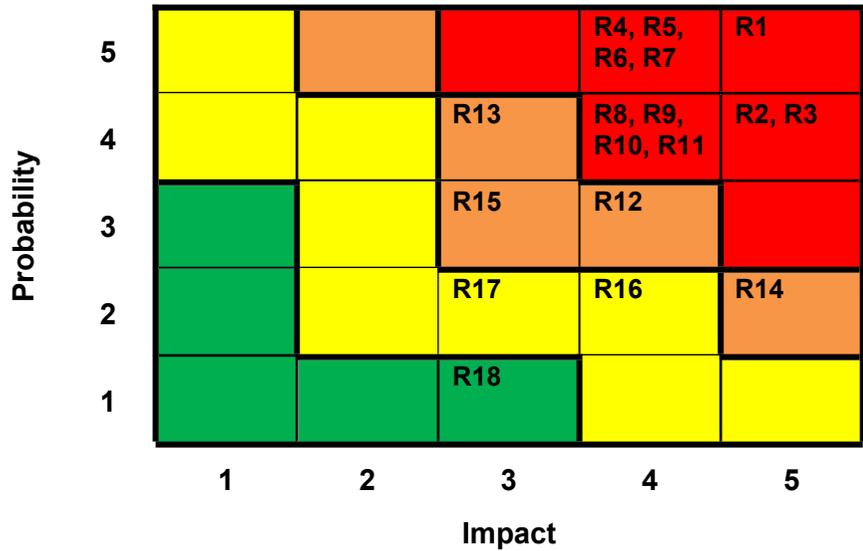
Q4 Risk Cabinet Report, June 2021

Covid Strategic Recovery Aims

Dated: 20<sup>th</sup> May 2021

**Appendix 1 - Quarter 4 Corporate Risk Heat Map**

**Corporate Risk Heat Map Key (Quarter 4 2020/21)**



<b>R1</b> – Stability of Social Services Providers	<b>R10</b> – Pressure on Housing & Homelessness Service
<b>R2</b> – Covid-19 Outbreak	<b>R11</b> - Newport Council’s Property Estate
<b>R3</b> – Highways Network	<b>R12</b> – Schools Finance / Cost Pressures
<b>R4</b> – Pressure on Adult & Community Services	<b>R13</b> – Educational Out of County Placements
<b>R5</b> – Ash Die Back Disease	<b>R14</b> – City Centre Security and Safety
<b>R6</b> – Pressure on the delivery of Children Services	<b>R15</b> – Climate Change
<b>R7</b> – Demand for ALN and SEN support	<b>R16</b> – Brexit & Trade Agreement
<b>R8</b> – Balancing the Council’s Medium Term Budget	<b>R17</b> – Safeguarding
<b>R9</b> - Cyber Security	<b>R18</b> - In year financial management

**Risk Score Profile between Quarter 1 2020/21 and Quarter 4 2020/21**

Risk Reference	Risk	Lead Cabinet Member(s) *	Risk Score Quarter 1 2019/20	Risk Score Quarter 2 2020/21	Risk Score Quarter 3 2020/21	(Current) Quarter 4 2020/21	Target Risk Score
R1	Stability of Social Services Providers	Cabinet Member for Social Services	25	25	25	25	6
R2	COVID-19 Pandemic Outbreak	Leader of the Council /Cabinet	25	25	25	20	6
R3	Highways Network	Deputy Leader and Cabinet Member for City Services and Member Development	20	20	20	20	9
R4	Pressure on Adult & Community Services	Cabinet Member for Social Services	20	20	20	20	10
R5	Ash Die Back Disease	Deputy Leader & Cabinet Member for City Services & Member Development	20	20	20	20	6
R6	Pressure on the delivery of Children Services	Cabinet Member for Social Services	20	20	20	20	6
R7	Demand for ALN and SEN support	Cabinet Member for Education and Skills	16	12	16	16	6
R8	Balancing the Council's Medium Term budget	Leader of the Council / Cabinet	16	16	16	16	10
R9	Cyber Security	Cabinet Member for Community & Resources	16	16	16	16	10
R10	Pressure on Housing and Homelessness Service	Leader of the Council	16	16	16	16	6
R11	Newport Council's Property Estate	Cabinet Member for Assets	8	8	12	16	9
R12	Schools Finance / Cost Pressures	Leader of the Council /Cabinet Member for Education and Skills	16	16	12	12	6

Risk Reference	Risk	Lead Cabinet Member(s) *	Risk Score Quarter 1 2019/20	Risk Score Quarter 2 2020/21	Risk Score Quarter 3 2020/21	(Current) Quarter 4 2020/21	Target Risk Score
R13	<b>Educational Out of County Placements</b>	Cabinet Member for Education and Skills	16	12	9	12	5
R14	<b>City Centre Security and Safety</b>	Deputy Leader and Cabinet Member for City Services and Member Development	10	10	10	10	8
R15	<b>Climate Change</b>	Cabinet Member for Sustainable Development	9	9	9	9	10
R16	<b>Brexit &amp; Trade Agreement</b>	Leader of the Council / Cabinet	12	16	12	8	10
R17	<b>Safeguarding</b>	Cabinet Member for Social Services	6	6	6	6	4
R18	<b>In year financial management</b>	Leader of the Council / Cabinet	9	6	6	3	6

## Glossary

This document provides an explanation of terminology used in this report and supporting documents.

**Risk Appetite** – the amount of risk that Newport City Council is willing to seek or accept in the pursuit of the Council's long term objectives.

**Inherent Risk Score** – The level of risk in the absence of any existing controls and management action taken to alter the risk’s impact or probability of occurring.

**Residual Risk Score** – The level of risk where risk responses i.e. existing controls or risk mitigation actions have been taken to manage the risk’s impact and probability.

**Target Risk Score** – The level of risk (risk score) that Newport City Council is willing to accept / tolerate in managing the risk. This is set in line with the Council’s overall risk appetite.

**Risk Mitigation Action** – Actions identified by the Risk Owner to respond to the risk and reduce the impact and probability of the risk of occurring.

**Risk Mitigation Action (Red Progress Score)** – Significant issue(s) have been identified with the action which could impact on the ability of the action meeting its completion date. Immediate action / response is required resolve its status.

**Risk Mitigation Action (Amber Progress Score)** – issue(s) have been identified that could have a negative impact on the action achieving its completion date. Appropriate line manager(s) should be informed and where necessary action taken.

**Risk Mitigation Action (Green Progress Score)** – The action is on course for delivering to the agreed completion date and within the agreed tolerances.

### **How the Council Assesses Risk**

An assessment of the likelihood and impact of risk is important to measure, compare and monitor risks to ensure efficient use of resources and effective decision making. This assessment is carried out using the risk matrix as described below.

### **Risk Assessment Matrix**

A Corporate Risk Register will contain the high level risks for the whole authority. In order to differentiate between these high level risks a 5x5 risk assessment matrix will be applied. The matrix is shown below and further detail is included in appendix 3.

Risks are scored using the scoring system for probability and impact and assigned a rating based on the tolerances set out in the matrix below

## Impact Matrix

Score	Description	Impact Measures						
		Strategic / Policy	Operational / Business Continuity	Financial	Governance / Legal / Regulatory	Health & Safety	Reputational	Project Delivery / Savings / Benefits
5	<b>Severe</b>	Failure of a key strategic objective	Serious organisational / service failure that has direct impact on stakeholders including vulnerable groups.  Service disruption over 5+ days.	<u><b>Corporate / Project</b></u>  Unplanned and/or additional expenditure disturbance.  Capital > £1M Revenue >£1M	Legislative / Regulatory breach resulting in multiple litigation / legal action taken on the Council (linked to Financial / Reputational Impacts).	Multiple major irreversible injuries or deaths of staff, students or members of public.  (Linked to Financial / Reputational Impacts)	Severe and persistent National media coverage. Adverse central government response, involving (threat of) removal of delegated powers. Officer(s) and / or Members forced to Resign.	Project status is over 12 months from anticipated implementation date.  Project(s) do not deliver the major benefits / savings identified in business case.  This is linked to Financial / Strategic / Reputational Impacts
4	<b>Major</b>	Severe constraint on achievement of a key strategic objective	Loss of an important service(s) for a short period that could impact on stakeholders.  Service disruption between 3-5 days.	<u><b>Corporate / Project</b></u>  Unplanned and/or additional expenditure disturbance. Capital > £0.5M - £1.0M Revenue >£0.5M-£1M	Serious legislative breach resulting in intervention, sanctions and legal action. (Linked to Financial / Reputational Impacts)	Major irreversible injury or death of staff, student or member of public. (Linked to Financial / Reputational Impacts)	Adverse publicity in professional / municipal press, affecting perception / standing in professional /local government community  Adverse local and social media publicity of a significant and persistent nature.	Project status is 6 to 12 months over from anticipated implementation date.  Project(s) do not deliver major benefits / savings identified in business case.  This is linked to Financial / Strategic / Reputational Impacts
3	<b>Moderate</b>	Noticeable constraint on achievement of a key	Loss and/or intermittent disruption	<u><b>Corporate / Project</b></u>	Significant legislative breach resulting in investigation.	Major reversible injury to staff, student or member of	Adverse local publicity /	Project status is 1 to 6 months over from

Score	Description	Impact Measures						
		Strategic / Policy	Operational / Business Continuity	Financial	Governance / Legal / Regulatory	Health & Safety	Reputational	Project Delivery / Savings / Benefits
		strategic objective / Service Plan objective.	of a service between 2-3 days.	Unplanned and/or additional expenditure disturbance.  Capital = £0.25M - £0.5M Revenue = £0.25M to £0.5M Revenue = £0.25M to £0.5M	(Linked to Financial / Reputational Impacts)	public. Not life threatening.  (Linked to Financial / Reputational Impacts)	local public opinion including social media. Statutory prosecution of a non-serious nature.	anticipated implementation date.  There is significant reduction on delivery of benefits / savings identified in business case.  This is linked to Financial / Strategic / Reputational impacts.
2	Low	Constraint on achievement of Service Plan objective that does not impact on Corporate Strategy	Brief disruption of service that has a minor impact on the delivery of a service.  Service disruption 1 day.	<u>Corporate / Project</u>  Unplanned and/or additional expenditure disturbance.  Capital = £0.1M - £0.25M Revenue = £0.1M – £0.25M	Moderate impact leading to warning and recommendations.	Some minor reversible injuries.  (Linked to Financial / Reputational Impacts)	Contained within Directorate Complaint from individual / small group, of arguable merit	Project status is 1 to 4 weeks over from anticipated implementation date.  There is minor reduction on delivery of benefits / savings identified in business case.  This is linked to Financial / Strategic / Reputational impacts.
1	Very Low	Constraint on achievement of Service / Team Plan objective	Minor disruption of a non-critical service.	<u>Corporate / Project</u>  Unplanned and/or additional expenditure disturbance.  Capital < £100k	No reprimand, sanction or legal action.	Some superficial injuries.  (Linked to Financial / Reputational Impacts)	Isolated complaint(s) that are managed through the corporate complaints process and service area.	Project status is 1 week over from anticipated implementation date.  There is insignificant / no impact on delivery of service.

Score	Description	Impact Measures						
		Strategic / Policy	Operational / Business Continuity	Financial	Governance / Legal / Regulatory	Health & Safety	Reputational	Project Delivery / Savings / Benefits
				Revenue <£100k		Reputational Impacts)		<p>benefits / savings identified in business case.</p> <p>This is linked to Financial / Strategic / Reputational impacts.</p>

## Probability

Score	Probability	Criteria
5	<b>Very likely</b> 75% +	<p><b>Systematic Risks</b> – Local evidence indicating <b>very high</b> probability of occurrence if no action / controls are in place. Risk is highly likely to occur daily, weekly, monthly, quarterly.</p> <p><b>Emerging Risks</b> – National and Global evidence indicating <b>very high</b> probability of occurrence on local communities if no action / controls are taken. Risks are highly likely to occur within the next 5 years.</p>
4	<b>Likely</b> 51-75%	<p><b>Systematic Risks</b> – Local evidence indicating <b>high</b> probability occur in most circumstances with near misses regularly encountered e.g. once or twice a year.</p> <p><b>Emerging Risks</b> – National and Global evidence indicating <b>high</b> probability of occurrence on local communities if no action / controls are taken. Risks are likely to occur within the next 5-10 years.</p>
3	<b>Possible</b> 26-50%	<p><b>Systematic Risks</b> – Local evidence indicating <b>distinct</b> possibility with circumstances regularly encountered and near misses experienced every 1-3 years.</p> <p><b>Emerging Risks</b> – National and Global evidence indicating <b>distinct</b> probability of occurrence on local communities if no action / controls are taken. Risks are likely to occur within the next 10-15 years.</p>
2	<b>Unlikely</b> 6-25%	<p><b>Systematic Risks</b> – Local evidence indicating <b>low</b> to infrequent near misses experienced every 3 + years.</p> <p><b>Emerging Risks</b> – National evidence indicating <b>low</b> probability of occurrence on local communities if no action / controls are taken. Risks are likely to occur within the next 16-25 years.</p>
1	<b>Very Unlikely</b>	<p><b>Systematic Risks</b> – Local evidence indicating risk has rarely / never happened or in exceptional circumstances.</p> <p><b>Emerging Risks</b> – National evidence indicating very low probability of occurrence on local communities if no action / controls are taken. Risks are likely to occur within the next 16-25 years.</p>

**Systematic Risks** – Risks that are known or are becoming part of social, cultural, economic and environmental systems that govern our lives.

**Emerging Risks** – Risks that are further away, less defined and early stage of being known about.