

### Step 5 - Monitor

Review the Register with colleagues (for example, as part of your Service Plan) at least quarterly

- What has changed?
- New risks or opportunities?
- Need to report or escalate risks?
- Have rankings changed?

### Step 4 – Mitigate

- Assess current actions and controls: Are they adequate or more needed?

### Treat – Accept -Stop - Transfer

- Within your Service Plan - develop specific SMART actions that will either reduce the likelihood of the risk, or minimise the impact – or maximize an opportunity and increase its likelihood.
- What should score be after taken action taken?
- Should this risk be escalated?



### Step 3 – Prioritise using the matrix below

- How likely is this? How soon might it happen?
- How big an impact will it have?

Likelihood	Impact				
	Negligible 5	Marginal 4	Major 3	Critical 2	Catastrophic 1
A Very High	Orange	Orange	Red	Red	Red
B High	Green	Orange	Orange	Red	Red
C Significant	Green	Orange	Orange	Orange	Red
D Low	Green	Green	Orange	Orange	Orange
E Very Low	Green	Green	Green	Orange	Orange
F Almost Impossible	Green	Green	Green	Green	Orange

Likelihood	%	Description	Proximity/ Timing
A Very High	90%	Event is very likely to occur.	Within current financial year
B High	60% - 90%	Strong possibility the event will occur.	Will occur at least once per year
C Significant	30% - 60%	Will probably occur in most circumstances	Will occur within next 4 years
D Low	15% - 30%	Risk event likely to occur at some time.	Likely to occur once in 4 to 6 yrs
E Very Low	5% - 15%	Risk event could occur at some time.	Likely to occur within 6 to 10 yrs
F Almost Impossible	0% - 5%	May occur only in exceptional circumstances. Extremely unlikely or virtually impossible.	May occur once within 10 to 50 yrs

	Impact	Service / Operational	Project or programme	Strategic	Financial	Opportunity
1	Catastrophic	Service suspended long-term or taken over. Statutory duties not delivered.	Milestones missed, key deliverables not achieved.	Corporate objectives not met . Mass staff leaving/unable to attract staff. Remembered for years, mentioned in Parliament.	In excess of each authorities available balances, finances/ reserves wiped out.	Significant performance improvement, savings or income of 70%, service transferred.
2	Critical	Service suspended medium-term or taken over temporarily. Key objectives missed.	Project reduced/suspended in the medium-term. Major milestones & KPIs missed (red)	Statutory requirements not met. Industrial action, adverse national publicity.	£5m and above	Service transferred, savings/income 50%-70%
3	Major	Service reduced / suspended short-term / taken over for a minimal period. Key objectives or KPIs missed (annual - red) within one team/ service, or more than one service affected.	Project delayed / suspended short-term. Some major milestone, or KPIs missed (red).	Industrial action, adverse local and national publicity.	Over £1m less than £5m	Part of service transferred, savings/income 30%-50%.
4	Marginal	Service slightly reduced Within one team/service some objectives or KPIs missed (amber annual, red quarter).	Project slightly delayed Some objectives or KPIs missed (amber).	Adverse local media, impact on an external inspection (s), some hostile relationships and minor non-co operation.	Over £½m less than £1m	Positive local media, Financial impact 10%-30%, all PIs met, some partnership working.
5	Negligible	No impact on annual service, performance or team objectives.	No impact on: final project due date, performance or objectives.	No effect on morale No effect on reputation or partnership. No media attention.	Less than £½ m	No impact on team objectives or performance. Financial impact below 10%.

This process is used to manage corporate, service, project, business case, and partnership risks and opportunities.

Roles	
All members and officers have a responsibility to manage risk in their work. There are also specific responsibilities:	
<b>Cabinet</b>	Consider risk when making decisions. Review key risks
<b>Audit &amp; Governance</b>	Review strategy
<b>CMT/SMT</b>	Manage corporate risks. Escalate risks to CRR. Move corporate risks into team or service registers. Raise risks at meetings.
<b>Team Leaders</b>	Manage own risks. Update senior managers Escalate risks



### Step 1: Identify

**Do this at least once a year**

- Look at the business plans, especially priorities. What might stop your team delivering the Councils' priorities – or delivering your service plan?
- Consider the types of risk
- Brainstorm with colleagues
- Examine trends
- Analyse last year's problems
- Review information from other councils / situations
- Be aware of new initiatives / agendas and regulations
- What opportunities are there?

**Do this frequently**

- What might stop you delivering your service?
- Review situation. Brainstorm with team

### Step 2: Analyse - Capture the main elements to a risk or opportunity

Cause	If / As a result of...	As a result of bad weather
<b>Event</b>	Then / There is a risk that...	<b>there is a risk that</b> staff will not be able to get to the office to do their work
<b>Effect</b>	So / Which will result in...	<b>which will result in</b> unhappy service users and increased complaints

### Step 1: Types of risk / opportunities (with examples): *What if...?*

<b>Political</b>	Change of political control locally or nationally
<b>External</b>	Changes outside our councils and control
<b>Economic &amp; Financial</b>	Interest rate change; recession
<b>Social</b>	Population growth; aging population
<b>Governance</b>	Compliance requirements; controls
<b>Communication &amp; Relationships</b>	Failure of systems; potential new partnerships
<b>Legislative or Regulatory</b>	Fail to meet requirements; law changes
<b>Strategic / operational</b>	Fail to meet business plan or team objectives
<b>Resources (incl. HR, IT, Finance)</b>	Staff illness; succession planning; system failure; new software; budget cut
<b>Legal</b>	Breach of contract; improved terms
<b>Environmental</b>	Extreme weather events; floods; good summer
<b>Roles &amp; Responsibilities</b>	Using staff skills; lack of qualified staff
<b>Stakeholders</b>	Disagreements; changed priorities
<b>Change Management</b>	Low staff morale; improved efficiency