

Governance, Risk and Best Value Committee

10.00am, Tuesday, 28 August 2018

Corporate Leadership Team Risk Update

Item number	7.7
Report number	
Executive/routine	
Wards	All
Council Commitments	

Executive summary

The Council's risk management framework seeks to ensure that risks to and within the Council are effectively managed, reviewed and updated through quarterly Risk and Assurance Committees held at both Directorate and Corporate Leadership Team (CLT) levels.

The information presented in this report reflects the Council's top risks and the key controls in place to mitigate them as at 3 August 2018. These risks and the associated controls have been scrutinised and challenged by the CLT and are presented to the GRBV Committee for oversight and review.

Corporate Leadership Team Risk Update

1. Recommendations

- 1.1 Members of the Governance, Risk and Best Value Committee are asked to:
 - 1.1.1 review and scrutinise the CLT Risk Update and be assured by the risk management framework, controls and mitigations in operation; and
 - 1.1.2 request, where appropriate, further updates from relevant officers to discuss the key risks and mitigating actions identified.

2. Background

- 2.1 The Governance, Risk and Best Value (GRBV) Committee is responsible for monitoring the effectiveness of the Council's risk management arrangements.
- 2.2 The Council has an Enterprise Risk Management Policy and Risk Management Operational Procedures in place which describe why, when and how risk management should take place. The Policy and associated Risk Appetite Statement have recently been reviewed and approved by the Corporate Policy and Strategy Committee.
- 2.3 The purpose of this report is to provide an update to the Committee on the key risks currently facing the Council and the work being undertaken to reduce the level of risk within the Council.
- 2.4 Some risk and associated mitigation measures lie outside the control of the Council. The Council's risk management framework seeks to reduce the Council's exposure to risk where practicable and proportionate, recognising that some mitigation measures may be the responsibility of third parties.
- 2.5 The CLT Risk Update was last presented to the GRBV Committee on 8 May 2018.

3. Main report

- 3.1 During the last quarter, risks have been reviewed at Risk Management Groups, Service Management Teams, and Risk and Assurance Committees within each Directorate. The top risks have been escalated to the CLT Risk and Assurance Committee for oversight, scrutiny and confirmation of scoring, in accordance with the Council's risk management framework.

- 3.2 The information in this report and presented in the appendices reflects the Council's top risks and the key controls in place to mitigate them, as at 3 August 2018.
- 3.3 Two new risks have been added to the CLT Risk Register since the last CLT Risk Update. These are 'Building Standards' and 'Operational risks identified through the audit process'. The Council's current top risks are considered to be 'Health and Social Care', 'ICT capability', and 'Homelessness'. Several risks have been rescored since the last report to GRBV.
- 3.4 Due to the way the risks are scored, a number appear in the 'red zone'. It should be noted that it may not always be practicable or proportionate to undertake mitigation measures which reduce the scoring to a level that risks move out of the 'red zone'.
- 3.5 Improvements to the risk management framework, based upon good practice in the public and private sector, are being constantly reviewed and considered for implementation as part of a continuous improvement approach. These enhancements are designed to refine and enhance several areas of the risk management framework and will be documented in the next update of the Policy and Procedure documents.
- 3.6 The updated Enterprise Risk Management Policy was approved by the Corporate Policy and Strategy Committee on 7 August 2018. The Policy sets out the importance of risk management to the Council, how it is carried out at a high level, and defines the roles and responsibilities of everyone across the Council to ensure we identify and manage risks effectively.
- 3.7 The Council won the Operational Award at the 2018 Alarm Risk Awards in June, for collaboratively developing and implementing a self-assurance framework which is used to manage operational risks within the Communities and Families Directorate.
- 3.8 Internal Audit has presented its annual opinion for the year ended 31 March 2018, based upon 27 completed audits and the status of open internal audit findings as at 31 March 2018. In addition to the work being carried out by Directorates as required by the amendment at GRBV on 31 July 2018, work is at an early scoping stage to identify opportunities to build on the self-assurance framework and develop it into a Council-wide tool to further strengthen the internal control environment and enable services to identify and manage operational risk even more robustly. The opportunity this creates is also being considered by the Executive Directors, as a part of the requirement to produce plans for the improvement of the controls environment within their respective Directorates.
- 3.9 The Corporate Risk Team is currently undertaking work to implement the risk management software and to harmonise and streamline the escalation and reporting of risk across the Council to make this more dynamic, and this is

intended to be fully deployed for the reporting of the CLT Risk Register to GRBV on 27 November 2018.

4. Measures of success

- 4.1 Effective risk management aims to ensure that key risks to the Council are identified, managed, and communicated appropriately and that suitable controls are put in place to mitigate risks to acceptable levels.

5. Financial impact

- 5.1 There is no direct financial impact arising from this report.
- 5.2 Control measures to mitigate risk may have an associated cost which is to be funded from existing budgets in the first instance.

6. Risk, policy, compliance and governance impact

- 6.1 Effective risk management aims to improve performance against objectives by contributing to more efficient use of resources, reduction in management time spent dealing with sudden shock events and more focus internally on doing the right things properly.
- 6.2 By its very nature risk management cannot guarantee to protect against every possible negative consequence. Even with a perfectly-functioning risk management framework, events considered significant or untoward with a low likelihood may still occur, resulting in significant negative consequences.

7. Equalities impact

- 7.1 There are no direct impacts upon equalities arising from this report.

8. Sustainability impact

- 8.1 There are no direct impacts upon sustainability arising from this report.

9. Consultation and engagement

- 9.1 As part of the Council's risk management framework the information in the appendices has been discussed, challenged and agreed by the CLT.

10. Background reading/external references

- 10.1 [Corporate Leadership Team Risk Update: report to GRBV 8 May 2018](#)
- 10.2 [City of Edinburgh Council's Policy Register](#)
- 10.3 [Internal Audit Opinion and Annual Report for the Year Ended 31 March 2018](#)
- 10.4 [Enterprise Risk Management Policy](#)

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11. Appendices

Appendix 1 – CLT Top Risks with Key Controls and Further Actions as at 3 August 2018

Appendix 2 – CLT Top Risks Heatmap

Appendix 3 – Guidance for assessing impact and likelihood of risks

Appendix 1 - CLT Top Risks with Key Controls and Further Actions as at 3 August 2018

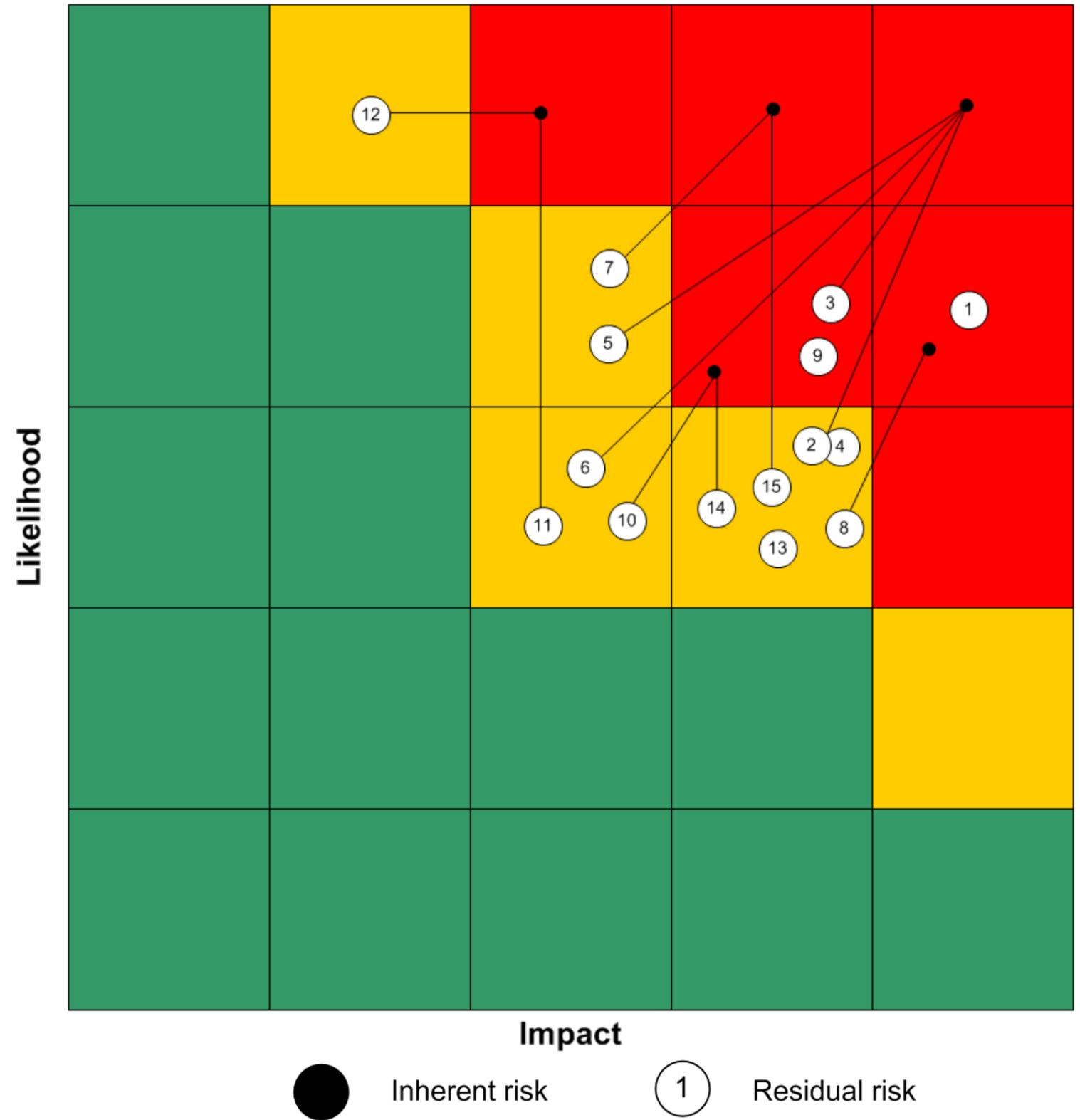
	Risk description	I	L	Key Controls	I	L	Key Further Actions
1	Health and Social Care Increased demand for services and associated demographic changes results in significant financial pressures which, when compounded by historic funding arrangements and traditional service models, creates a significant risk that the Council fails to implement and/or deliver appropriate health and social care arrangements, as required by the Edinburgh Integration Joint Board (EIJB). The potential impact of failure to manage this risk effectively could include direct harm to people, safeguarding breaches, inappropriate or insufficient care packages being offered and significant reputational damage to the Council with additional impact on funding of other Council budgets.	5	4	<ul style="list-style-type: none"> Scrutiny of health and social care performance, delivery and risk management by Governance, Risk and Best Value Committee (GRBV) and Corporate Policy and Strategy Committee (CP&S) Access to external experts for capacity and capability and knowledge sharing Partnership working with service areas and IJB (IJB Procurement Board) The Council's Chief Internal Auditor is also the Chief Internal Auditor for the IJB thereby ensuring auditing of key risks Strengthened Health and Social Care Partnership and Edinburgh IJB senior management team, with an experienced Chief Officer and Head of Operations (Social Work Professional) and substantive Chief Financial Officer all approved. The IJB maintains and reviews its risk register Health and Social Care Improvement Plan in place 	5	4	<ul style="list-style-type: none"> Implementation of Health and Social Care Improvement Plan and programme. Work in progress to refresh the Edinburgh Health and Social Care Partnership risk register Review of governance for the Partnership and IJB being led by the Chief Officer.
3	ICT capability Despite increased scrutiny, and robust performance and contract management arrangements within the Council, there is a risk that the level of ICT service provided to the Council is below that required for the Council to deliver its services effectively, efficiently, safely or in line with planned revenue savings initially budgeted. This risk includes reliability and availability of hardware systems and software, as well as maintaining accreditations required to deliver Council services.	5	5	<ul style="list-style-type: none"> Re-set of CGI/CEC contract agreed and approved by both the Finance and Resources Committee and CGI Board. Internal audit of CGI contract management completed, no high findings identified. Standardised quarterly scrutiny of CGI performance by GRBV. Device refresh project now in delivery to replace hardware across the Council's ICT estate over the next 12 months. Cyber and Information Security Group established, chaired by the Executive Director of Resources, to deliver against the Scottish Government's Public-Sector Action Plan on Cyber Resilience 	4	4	<ul style="list-style-type: none"> CEC and CGI finalising a revised performance dashboard and key performance indicators for more rigorous performance management. Revised governance and penalties regime being finalised as part of the re-set arrangements. Public sector Cybersecurity Action Plan status update to Deputy First Minister being finalised. Review of CEC IT capabilities and operating model being undertaken by the Head of Customer Services and IT.
9	Homelessness Due to planned welfare changes, the introduction of Universal Credit, changes to the benefit payment process, and a buoyant private rented market, greater demands will be placed on homelessness services across the city. Move-on, permanent accommodation for homeless people is not sufficient to meet this demand and there is insufficient capacity in temporary accommodation, leading to more people rough-sleeping or in sub-standard conditions, and to breaches in the Council's statutory duties.	5	5	<ul style="list-style-type: none"> Homelessness Task Force established and meeting monthly. Progress reporting and oversight via the Housing and Economy Committee each cycle Communications and training to staff around Universal Credit by the Department of Work and Pensions (DWP) Welfare Reform Update report presented to Corporate Policy and Strategy Committee quarterly Welfare Reform Working Group (including Elected Members) meets regularly Welfare Reform Core Group (Council Officers) meets regularly 	4	4	<ul style="list-style-type: none"> Discussion with Scottish Government to access funding from National Task Force Implementation of the plan to be set by the Homelessness Task Force Extend private sector leasing scheme into 2019
2	Capital asset management Due to the age of a number of properties across the Council's operational estate, there is risk that properties are not of a sufficiently safe and sustainable standard for their continued use, potentially resulting in structural failures and/or negative health and safety consequences for staff, service users or members of the public. Associated with this, the Asset Management Strategy requires that decisions are made to dispose of properties in a planned manner. The risk associated with the implementation of the strategy is that disposal decisions are not made in a timely manner, which results in additional costs pressures for both the capital and revenue budgets and consequently demographic pressures cannot be responded adequately to by the property portfolio, particularly for education and health and social care services.	5	5	<ul style="list-style-type: none"> Committee approved Asset Management Strategy and Asset Management Works budget in place. Progress against the Asset Management Strategy reported regularly to Finance and Resources Committee. Asset registers in place with prioritised budget spend on those deemed of greatest risk to public safety General Inspections carried out annually as part of rolling condition surveys Corporate Health and Safety Policy Asbestos, Fire Safety and Water Safety Policies Initial Condition Survey of all premises completed Public and employers' liability insurance policies Significant additional funding committed to property repair through budget process Commissioned first year of programme of upgrade works, focussing on areas of greatest need Statutory compliance testing Work in progress to deliver first phase of asset management work at 22 schools over summer holidays 2018 Fire Safety, Asbestos and Water Safety Standing Groups chaired by Head of Property and Facilities Management meets regularly 	4	3	<ul style="list-style-type: none"> Scoping of works for financial year 2019/2020. Further activities as approved at Finance and Resources (F&R) Committee on 27 March 2018. Work has started on implementing these actions over the summer period. <ul style="list-style-type: none"> Programme of ceiling inspections Programme of high level inspections Introduction of Planned Preventative Maintenance regime Programme of fire door inspections Condition management works at potential Wave 4 schools. Reactive repairs and maintenance delivery being sustained at the same time as addressing major investment/improvement programme. Refresh of Asset Management Strategy assumptions being undertaken to report to the Finance and Resources Committee on 27 September 2018.
4	Change Key deliverables, benefits and timescales for achieving change across the Council may not be achieved in line with business expectations, requirements, budgets and resources. This may result in adverse impacts on service delivery, the Council's finances and reputation, the anticipated need for further savings to deliver balanced budgets may create additional material pressure on our infrastructure, capital and revenue funding and the execution of the Council's business plan, with the associated adverse reputational impact.	5	5	<ul style="list-style-type: none"> Council Change Strategy being refined and aligned to the Business Plan Improved programme and project governance being applied through the CLT Change Board and new Business Case gateways process Plans for the key projects in terms of scoping and resources being reviewed Key transformation programmes supported by Programme / Project Management expertise Effective Long-Term Financial Planning in place, aligned to the Council's Business Plan and Performance Framework Provision for demographic change built into long term financial planning assumptions 	4	3	<ul style="list-style-type: none"> Development of Council Change Strategy and enhanced portfolio governance and business case approvals Clear and robust programme/project plans Greater focus on delivery assurance and benefits realisation Refreshed Directorate Business Plans to be produced Council Performance Dashboard and Local Government Benchmarking Results for 2017/18 considered by the

				<ul style="list-style-type: none"> Regular review of financial challenges and assumptions with Members Budget Core Group and Finance and Resources Committee Monthly Performance Dashboard reporting to Directorates Savings and implementation plans are monitored and reviewed, monthly budget reporting GRBV scrutinises Council Finance and Performance outcomes, assumptions and delivery. Council review of progress against Business Plan Political Commitments 			<ul style="list-style-type: none"> Corporate Policy and Strategy Committee in August (and referred to Council). Annual External Audit of Council's Accounts and financial planning assumptions to be reported.
13	Housebuilding programme Due to capacity within the house-building industry, the availability of suitable land, uncertainties around planning assumptions used in financial models (demographics, demand, economics etc) there are risks to the delivery of the Council's housebuilding programme, including subsequent knock-on impacts in relation to Council income and reputation.	4	3	<ul style="list-style-type: none"> Short, medium and long-term planning through the Housing Revenue Account (HRA) planning process involving input from appropriate functions including Finance, Legal and Risk Risk management workshops undertaken with the HRA, the Granton project, 'Edinburgh Homes'/Scottish Futures Trust to identify key risks to delivery. Risks being managed by appropriate teams City Region Deal Executive Board meets regularly Housing stock investment strategy 	4	3	<ul style="list-style-type: none"> The current plan of work is considered appropriate to address the risk. Any further actions will be considered where appropriate.
8	Health and Safety (H&S) There is a risk of non-compliance with the Council's legislative requirements and associated suite of health and safety policies and/or failure to comply with procedures or applicable legislation which could lead to an incident resulting in harm to staff, service users or members of the public, liability claims, regulatory breaches, fines and associated reputational damage.	5	4	<ul style="list-style-type: none"> Progress on Corporate H&S Strategic Plan is reported annually to CLT and Finance and Resources Committee. Rolling H&S audit programme identifies areas for improvement. H&S performance is measured and reported to CLT Risk and Assurance Committee quarterly, Council H&S Group and Service-level H&S Groups H&S risks and issues reported to CLT on a weekly basis, H&S is a standing CLT agenda item Corporate H&S Training programme available across the whole organisation and completion figures are reported quarterly to CLT Risk and Assurance Committee quarterly, Council H&S Group and Service-level H&S Groups H&S is part of the Council's Induction Programme Council's Health and Safety Policy – refresh completed and approved by Corporate Policy and Strategy Committee. Asbestos Policy Fire Safety Policy Water Safety Policy 3-year Corporate H&S Strategy approved by the Corporate Policy and Strategy Committee. IOSH Leading Safely courses delivered to the Council's Wider Leadership Team Content improvements made to the Council's intranet in respect of Health and Safety issues. 	4	3	<ul style="list-style-type: none"> Greater uptake and attendance at H&S training sessions, with high levels of attendance at IOSH Managing Safely, positively role-modelled by CLT. Implementation of phase 1 of the new Facilities Management (Janitorial) Service – commences in August 2018. Directorates developing local Health & Safety Plans to target specific areas for improvement, as identified by H&S dashboard and H&S audit reports.
14	Building Standards verification If the Council's response to the Scottish Government intervention on the Building Standards Service is ineffective the Council may lose its verification ability leading to significant income and reputational damage.	4	4	<ul style="list-style-type: none"> Scrutiny by GRBV including report by Internal Audit presented 8 May 2018 Teams are working alongside Scottish Government personnel to work to ensure appropriate delivery of service provision Closing out IA actions using new IA system (TeamMate) to ensure improved visibility and accountability 	4	3	<ul style="list-style-type: none"> The current plan of work is considered appropriate to address the current risk. The risk will be regularly reviewed and any further actions will be considered where appropriate.
15	Operational risks identified through the Internal Audit process There is a risk around the failure to close out agreed actions following internal audits. This influences Internal Audit's opinion on the effectiveness of the Council's control environment.	4	5	<ul style="list-style-type: none"> Services and Directorates consider risks to their areas (including from historic actions) and escalate through Risk and Assurance Committees in each Directorate. Internal Audit report regularly to CLT, Risk and Assurance Committees and GRBV Improved visibility through use of new IA system TeamMate 	4	3	<ul style="list-style-type: none"> Consider opportunity to build on the self-assurance framework in place in Communities and Families Executive Directors producing plans in response to GRBV amendment passed on 31 July 2018
5	Major incident A sudden high impact event causes harm to people and damages infrastructure, systems or buildings. Buildings, staff and/or systems are non-operational for a time, resulting in a reduced ability to deliver services. Failure to deliver an appropriate level of service in the event of a sudden operational requirement may lead to harm to people and reputational damage to the Council.	5	5	<ul style="list-style-type: none"> Council Business Continuity and Emergency Plans are in place All Chief Officers have been briefed about the Council's Incident Management response arrangements and on-call responsibilities Information Technology Disaster Recovery (IT DR) arrangements in place Effective and regular liaison and partnership working between the Council and other responder organisations at a local and national level including contingency planning for major events Externally contracted services include DR and business continuity provisions Lessons learned from key events including winter weather New governance arrangements in place in the event of Op UNICORN 	3	4	<ul style="list-style-type: none"> Council participation in multi-agency scenario testing of emergency plans. Rolling programme of IT disaster recovery tests.
7	Customer experience and expectations Customer dissatisfaction around delivery of citizen facing services (e.g. waste management, roads, etc.) may lead to an increase in complaints with consequential financial pressures and reputational damage.	4	5	<ul style="list-style-type: none"> Waste Services Improvement Plan in place and being progressed Roads Service Improvement Plan in place and has been approved by the T&E Committee and will now be delivered Customer Transformation Programme being delivered in partnership with front-line services Customer Skills Training being deployed across all Customer Contact Centre staff Improved social media skills and capability being jointly delivered by Communications and Customer Channel Shift and Process Automation aspects of the Customer Transformation Programme are being delivered to improve accessibility and responsiveness of services Corporate Policy and Strategy Committee to receive regular reports and updates on Customer Transformation and Customer Contact Centre improvements and service delivery. 	3	4	<ul style="list-style-type: none"> Improvements to Council Complaints and Feedback Policy and handling arrangements, with improved KPIs being reported for 2017/18. Citizens Panel to provide feedback on customer experience and service improvements Enhancements to Council social media responses to issues and proactive campaigns, such as during the Edinburgh Festivals. The Council Complaints Policy has been refreshed and submitted to the Corporate Policy and Strategy Committee for approval.

12	<p>Workforce Capacity and Capability</p> <p>The risk is that the Council is unable to recruit, retain, develop, engage and reward its employees effectively, including those in specialist roles to enable service delivery in a sustainable and affordable manner. There is a risk that the Council does not have adequate arrangements in place for the support and monitoring of Armed Forces reservists within the workforce</p>	3	5	<ul style="list-style-type: none"> • Council People Strategy provides strategic priorities for workforce management and development. • People Plans developed for each Directorate of the Council. • Deployment of effective learning and development, including staff induction and new line manager induction sessions. • Commitment to Living Wage • Use of a new candidate portal to simplify the recruitment process • Support for the Armed Forces Reservists Project • Employee Survey undertaken. Work is in progress to analyse the responses and subsequently determine future actions required 	2	5	<ul style="list-style-type: none"> • Implementation of new recruitment campaign for teaching staff. • Further development and review of HR policies and procedures to ensure these are agile, enabling and support recruitment and retention. • Improvements to recruitment process and deployment of new-starter portal to provide earlier access to relevant information for new appointees. • Finalisation of leadership development approach for the Council. • HR operating model review to enable greater focus on professional support provided to cross cutting workforce thematic issues, such as recruitment and retention.
6	<p>Information Governance</p> <p>A major loss of data from the Council's control could result in fines, claims, loss of public trust and reputational damage. This includes both physical records (papers, files, folders etc) and data lost as a result of cyberattacks. This risk takes into account new requirements under the new General Data Protection Regulation.</p>	5	5	<ul style="list-style-type: none"> • Information Security policy • Suite of information governance policies and procedures • Laptop and media encryption • Service automation controls in place • IT Security Managed Service procured with requirements to adopt CSEG (Communications Electronics Security Group – now part of the National Cyber Security Centre) and ISO (international standards) best practice approaches and improve the security defences, monitoring and awareness of the security threat landscape • Leavers process includes removal of access to IT applications • Cybersecurity campaigns • Internal Audit testing of phishing. • Cyber and Information Security Group established, chaired by the Executive Director of Resources, to deliver against the Scottish Government's Public-Sector Cyber Resilience Action Plan on Cyber Resilience 	3	3	<ul style="list-style-type: none"> • CEC and CGI finalising a revised performance dashboard and key performance indicators for more rigorous performance management to support ICT information governance requirements, including security issues. • Monthly MI demonstrating any threats. • Implementation of SharePoint technology as part of the device/hardware 12-month refresh project to improve security and storage arrangements across the ICT estate. • Review of Public Sector Cyber Action Plan commitments and delivery, with a status update to Deputy First Minister being finalised. • GDPR readiness audit completed and being reported to CLT. • GDPR implementation tracking being by the Information Governance Unit.
10	<p>Major Programme and Project Delivery and Assurance</p> <p>The Council is unable to ensure the effective management and successful delivery, on time and budget, of major programmes and projects. This risk also outlines the need for the Council to prioritise and deploy project delivery resource effectively, according to business needs, ensuring that benefits are realised and learning is shared effectively across all delivery activity.</p>	4	4	<ul style="list-style-type: none"> • Delivery of major programmes and projects to be given oversight via the relevant Executive Committees and the Governance, Risk and Best Value Committee. • CLT Change Board provides monthly portfolio management and oversight for all programmes and projects. • All significant change to have an approved business case detailing resources and skills required to deliver • Appointment of Strategic Change and Delivery Manager within Strategy & Insight • Work in progress to implement the Internal Audit recommendations relating to Change Management. 	3	3	<ul style="list-style-type: none"> • Implementation of recommendations from change management reform audit report agreed at Committee and reported to GRBV. • Improved focus on Council's Change Portfolio and Status Reporting via CLT Change Board each month now operational.
11	<p>Tram extension project</p> <p>There are risks to the delivery of the proposed tram extension project, including reputational risks to the Council. Although the Council has not yet committed to this project it is now considered appropriate to report it as a risk.</p>	3	5	<ul style="list-style-type: none"> • Governance arrangements in place as appropriate to the current status of the project • Tram Project Board (including external subject matter expert) established and meets regularly • External project management and engineering expertise engaged • Work progressing in accordance with the Project Execution Plan • Project risk register reviewed and reported to Project Board on a regular basis • Quantitative Risk Analysis undertaken by external project management consultancy • Final Business Case to include updated modelling (carried out externally) • Council due to consider Final Business Case ahead of a vote in late 2018 • Lessons learned from the Edinburgh Tram Inquiry to be considered at all appropriate opportunities • Public consultation undertaken 	3	3	<ul style="list-style-type: none"> • The current plan of work is considered appropriate to address the current risk. The risk will be regularly reviewed and any further actions will be considered where appropriate.

Appendix 2 – CLT Top Risks Heatmap as at 3 August 2018

- 1 Health and Social Care
- 2 Capital asset management
- 3 ICT capabilities
- 4 Change
- 5 Major incident
- 6 Information Governance
- 7 Customer experience and expectations
- 8 Health and Safety
- 9 Homelessness
- 10 Major Programme and Project Delivery and Assurance
- 11 Tram extension project
- 12 Workforce Capacity and Capability
- 13 Housebuilding programme
- 14 Building Standards verification
- 15 Operational risks identified through the Internal Audit process



Appendix 3 - Guidance for assessing impact and likelihood of risk

Likelihood	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Probability	0-15%	16-35%	36-60%	61-80%	81-100%
Chance of occurrence	Hard to imagine, only in exceptional circumstances	Not expected to occur, unlikely to happen	May happen, reasonable chance of occurring	More likely to occur than not	Hard to imagine not happening
Timeframe	Greater than 10 years	Between 5-10 years	Likely between 3-5 years	Likely between 1-3 years	Likely within 1 year

Impact	1 Negligible	2 Minor	3 Moderate	4 Major	5 Extreme
Effect on outcomes	Minimal effect	Minor short term effect	Part failure to achieve outcomes	Significant failure to achieve obligations	Unable to fulfil obligations
Financial effect	Corporate: up to £250k Services: up to £100k	Corporate: £250k - £750k Services: £100k - £300k	Corporate: £750k - £5m Services: £300k - £1m	Corporate: £5m - £20m Services: £1m - £5m	Corporate: £20m + Services: £5m +
Reputational damage	None	Minor	Moderate loss of confidence and embarrassment	Major loss of confidence and adverse publicity	Severe loss of confidence and public outcry

Likelihood	5 Almost Certain	Low	Medium	High	High	High
	4 Likely	Low	Low	Medium	High	High
	3 Possible	Low	Low	Medium	Medium	High
	2 Unlikely	Low	Low	Low	Low	Medium
	1 Rare	Low	Low	Low	Low	Low
		1	2	3	4	5
		Negligible	Minor	Moderate	Major	Extreme
		Impact				