

APPENDIX B

Management Methodology Evaluation Criteria

Likelihood

1	Improbable	<ul style="list-style-type: none"> Has not occurred before Has not occurred at other similar organisations Extremely unlikely to occur (less than 10% chance) but may do so in at least 10 years' time
2	Remote	<ul style="list-style-type: none"> Remote risk but could happen within next 3 to 10 years Has not occurred at Publica but isolated cases have occurred at other similar organisations
3	Possible	<ul style="list-style-type: none"> Could happen at least once every 1 to 3 years New circumstances with little data to indicate likelihood of occurrence 50 / 50 chance of it happening
4	Probable	<ul style="list-style-type: none"> More likely to happen than not Could occur within next 3 – 12 months Has occurred in the last five years Has occurred at some other similar organisations
5	Almost certain	<ul style="list-style-type: none"> Has occurred in the last two years Has occurred at many other similar organisations More than an 80% chance of it happening Likely to happen within next three months or is occurring at present

Impact (Achievement of objectives or service delivery /achievement of projects/health and safety/ staff motivation/ legal and regulatory issues/ reputational damage / financial loss or additional expenditure necessitated).

1	Insignificant	<ul style="list-style-type: none"> Negligible impact on achievement of service objectives/delivery Negligible impact on delivery of project – slight slippage or reduction in quality/scope with no overall impact Negligible financial impact Health and Safety of very small number of individuals affected Limited impact on staff and culture – a few individuals only affected Minor legal/regulatory impact – no sanction or legal action likely No damage to reputation or will not result in adverse media comment
2	Minor	<ul style="list-style-type: none"> Moderate impact on service objectives/delivery - only partially achievable without additional time / resources

		<ul style="list-style-type: none"> Some impact on project – slight slippage against published milestones/targets and some ‘nice to have’ elements not possible Minor injuries possible to relatively small number of individuals Likely to affect motivation of small groups of staff Some legal/regulatory impact – could lead to warnings/threats of sanctions/ legal action Some public embarrassment but no damage to reputation or standing in the community Financial impact can be contained within service budget (<£100,000)
3	Moderate	<ul style="list-style-type: none"> Service objectives/delivery not achievable without considerable additional time / resources Moderate effect on project timetable and significant elements of scope or functionality may not be available Moderate number of injuries possible – not life threatening Moderate impact on staff motivation within particular service(s) Significant legal/regulatory impact leading to reprimand, sanctions or legal action Some public embarrassment leading to limited reputational damage (adverse local press) – short term impact Financial impact cannot be contained within budget and needs additional resourcing (>£100,000 & <£250,000).
4	Major	<ul style="list-style-type: none"> Significant impact on achievement of service objectives/delivery even with additional resources (possibly leading to closure of facilities / service being withdrawn) Failure to meet key project deadlines or project fails to meet needs of proportion of stakeholders Possibility of serious injury to individuals Significant impact on employee motivation generally – possibly leading to poor quality service in particular service(s) Serious legal/regulatory impact leading to sanctions or legal action with significant consequences Loss of credibility and public confidence in the service / organisation (of interest to the national press) Significant financial impact (>£250,000)
5	Extreme	<ul style="list-style-type: none"> Unable to achieve corporate objective or prolonged closure/withdrawal of service Major project’s viability jeopardised through delay or level of quality makes it effectively unusable Possibility of fatalities or multiple serious injuries Severe impact on staff motivation generally, leading to dissatisfaction and industrial unrest Major legal/regulatory impact leading to sanctions or legal action with substantial financial or other consequences Highly damaging to reputation with immediate impact on public confidence Incident of interest to government agencies

		<ul style="list-style-type: none"> Incident potentially leading to resignation or dismissal of an Executive Director on Publica Board. Severe and unmanageable financial impact
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Risk Score

The Risk Score is calculated by multiplying the Likelihood score by the Impact score. Service Risks which score 15 or above are considered to be Primary Risks and will be considered with other corporate risks on the Strategic Risk Register.

Categories of Risk

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STRATEGIC Risks which may threaten the achievement of Publica's objectives	OPERATIONAL Risks which managers and staff may encounter in the daily course of their work.
<p>Political: failure to deliver priorities or key tasks or central Government policy</p> <p>Economic: the ability to meet its financial commitments</p> <p>Social: the effects in changes in demographic, residential or socio-economic trends on the ability to deliver priorities or key tasks</p> <p>Technological: the capacity to deal with technological change or its ability to use technology to meet changing demands</p> <p>Legislative: current or potential changes in national or European law</p> <p>Environmental: the environmental consequences of service delivery (in terms of energy efficiency, pollution, re-cycling, landfill needs, emissions etc.)</p> <p>Competitive: the competitiveness of the services/ the ability to deliver value for money</p> <p>Customer failure to recognise the changing needs and expectations of the community Possible loss of reputation</p>	<p>Professional: professional competences of staff</p> <p>Financial: financial planning and control and the adequacy of insurance cover</p> <p>Legal: possible breaches of legislation</p> <p>Physical: fire, security, accident prevention and health & safety , possible loss of assets e.g. buildings, possible loss of data</p> <p>Contractual: the failure of contractors to deliver services or goods to agreed costs and specifications</p> <p>Technological: reliance on operational equipment (IT systems or equipment and machinery), possible loss of data</p> <p>Environmental: pollution, noise or energy efficiency of ongoing service operation</p>

Risk Management Process – Publica and partner Councils

