

Warwickshire LAA – Climate Change and Environment RISK MATRIX - Risk Evaluation and Scoring

Threats

(managing expected negative outcomes)

PROBABILITY (Over next 30 years)	Almost Certain 0-1 Year	5	5	10	15	20	25	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Key Consider immediate risk action, review regularly and report upwards to senior management</td> </tr> <tr> <td>High Consider risk action and review regularly</td> </tr> <tr> <td>Tolerable Consider risk action and review periodically</td> </tr> <tr> <td>Low No action required. Review annually to ensure risk level does not change.</td> </tr> </table>	Key Consider immediate risk action, review regularly and report upwards to senior management	High Consider risk action and review regularly	Tolerable Consider risk action and review periodically	Low No action required. Review annually to ensure risk level does not change.
	Key Consider immediate risk action, review regularly and report upwards to senior management											
	High Consider risk action and review regularly											
	Tolerable Consider risk action and review periodically											
	Low No action required. Review annually to ensure risk level does not change.											
Likely 1-5 Years	4	4	8	12	16	20						
Moderate 5-10 Years	3	3	6	9	12	15						
Unlikely 10-20 Years	2	2	4	6	8	10						
Rare 20-30 Years	1	1	2	3	4	5						
			1 Insignificant	2 Minor	3 Moderate	4 Significant	5 Major					

Threat Impact Descriptions

	1 Insignificant	2 Minor	3 Moderate	4 Significant	5 Major
Service, Partnership & Project Delivery	Minor errors in systems and processes handled within normal daily routine.	Short term disruption and action required. Managed by intervention from Head of Service/ Block Leader or Project Manager.	Noticeable disruption affecting customers. Intervention and management by local management team.	Disruption of core activities. Key targets missed, some services compromised. Intervention by LAA senior managements or Project Board	Loss of core activities. Strategic aims compromised. Intervention required at the highest level-LAA public service board
Financial	<1% negative variance against annual revenue budget or capital budget	2% negative variance against annual revenue budget or capital budget	3% negative variance against annual revenue budget or capital budget	4% negative variance against annual revenue budget or capital budget	5% negative variance against annual revenue budget or capital budget
Reputation	Event or decision not in the public domain that has little impact outside of services	Event or decision in the public domain that receives minimal negative coverage by local media	Event or decision in the public domain that receives significant negative coverage by local media and/or pressure groups	Event or decision in the public domain that receives significant negative coverage by national media and/or pressure groups	Event or decision in the public domain that receives extensive negative coverage by national media and/or pressure groups
Environmental	Inconsequential environmental impact if any	Minor short term environmental damage	Manageable environmental impacts. No long term effects	Reversible environmental degradation over a number of years	Irreversible environmental degradation with severe legal consequences

Risk Action Planning

(determined by level of Gross Risk)

AVOID	TRANSFER	REDUCE	ACCEPT
Quick decisive action leading to fundamental change eg revise strategy, revisit objectives or stop the activity.	Insure against the risk or transfer to a third party eg a contractor or partner who is better able to manage the risk.	Plan actions that target the cause of the risk and/or the impact of the risk.	Where costs of action outweigh potential benefits or nothing further can be done to reduce the level of the threat.

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OPPORTUNITIES(managing expected positive outcomes)

PROBABILITY (Over next 30 years)	Almost Certain 0-1 Year	5	5	10	15	20	25
	Likely 1-5 Years	4	4	8	12	16	20
	Moderate 5-10 Years	3	3	6	9	12	15
	Unlikely 10-20 Years	2	2	4	6	8	10
	Rare 20-30 Years	1	1	2	3	4	5
			1 Insignificant	2 Minor	3 Moderate	4 Significant	5 Major

Key

Consider immediate risk action, review regularly and report upwards to senior management

High

Consider risk action and review regularly

Tolerable

Consider risk action and review periodically

Low

No action required. Review annually to ensure risk level does not change.

OPPORTUNITY Impact Descriptions					
	1 Insignificant	2 Minor	3 Moderate	4 Significant	5 Major
Service, Partnership & Project Delivery	No improvement in systems and processes within normal daily routine.	Slight improvement in systems and processes within normal daily routine.	Improvement on internal business only.	Noticeable improvement to customer service.	Noticeable and measurable improvement in customer service.
Financial	<1% positive variance against annual revenue budget or capital budget	2% positive variance against annual revenue budget or capital budget	3% positive variance against annual revenue budget or capital budget	4% positive variance against annual revenue budget or capital budget	5% positive variance against annual revenue budget or capital budget
Reputation	Event or decision not in the public domain that has little impact outside of services	Event or decision in the public domain that receives small positive coverage by local media	Event or decision in the public domain that receives significant positive coverage by local media and/or pressure groups	Event or decision in the public domain that receives significant positive coverage by national media and/or pressure groups	Event or decision in the public domain that receives extensive positive coverage by national media and/or pressure groups
Environmental	Inconsequential environmental impact if any	Minor short term environmental benefit	Positive longer term environmental impacts.	Continued environmental improvement	Achieved a truly sustainable environment

Risk Action Planning (determined by level of Net Risk)			
EXPLOIT	SHARE	ENHANCE	IGNORE
Quick decisive action leading to fundamental change eg revise strategy or revisit objectives to make the opportunity happen	Seek a third party best able to manage the opportunity	Plan actions that increase the probability and/or impact of the opportunity to maximise the benefit.	Where costs of action outweigh potential benefits.