

CYNGOR SIR POWYS COUNTY COUNCIL

**CABINET
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SUBJECT: Alignment of Powys County Council Risk Matrix to Powys Teaching Health Board Risk Matrix

REPORT FOR: Discussion/decision

1. Introduction

1.1. Risk is present in everything we do, and it is therefore council policy to identify, assess and manage risk on a pro-active basis. In order for risk management to be most effective and become an enabling tool, we must ensure we have a robust, consistent, communicated and formalised process across the council and with our key partners. This report therefore sets out proposals to change the **Risk Assessment Matrix** the council currently has in place, in order that it aligns with the matrix used by one of our key partners, the Powys Teaching Health Board. This would provide consistency across joint programmes and projects of work and would result in a more simplified scoring scale for 'Likelihood' and 'Impact' of risk.

2. Overview of Powys County Council and Powys Teaching Health Board Risk Matrices

2.1 The council's current Risk Assessment Matrix was agreed as part of the overarching Risk Management Toolkit which was rolled out in June 2018. The toolkit was developed using the 'Alarm Risk Management Toolkit' as best practice. The matrix (see Figure 1) uses **four** assessment scales for 'likelihood' and **four** scales for 'Impact'. The four scales for 'likelihood' and 'Impact' have the same categories (low/medium/high/very high), and each one has its own descriptor. However, the scores for the likelihood and impact scales are different. The 'likelihood' scale ranges from 1-4, whilst the 'impact' scale is 1,3,5 or 7. An overall risk score

		THREATS				OPPORTUNITIES					
Likelihood	Very High (4)	4	12	20	28	28	20	12	4	Very High (4)	Likelihood
	High (3)	3	9	15	21	21	15	9	3	High (3)	
	Medium (2)	2	6	10	14	14	10	6	2	Medium (2)	
	Low (1)	1	3	5	7	7	5	3	1	Low (1)	
Likelihood x Impact = Overall Risk Level		Low (1)	Medium (3)	High (5)	Very High (7)	Very High (7)	High (5)	Medium (3)	Low (1)	Likelihood x Impact = Overall Risk Level	
		Impact (Negative)				Impact (Positive)					

therefore ranging between 1-28 is given for each risk. As can be seen from Figure 1 below, the council's current Risk Assessment Matrix also provides a facility to assess both negative and opportunity risks (where risks could have a positive impact).

Figure 1. Council Risk Assessment Matrix

2.2 Powys Teaching Health Board's (PTHB) 'Risk Management Framework' was published in January 2017. It is based on the National Health Service's National Patient Safety Agency's risk matrix. The PTHB Risk Assessment Matrix (see Figure 2) uses **five** assessment scales for 'likelihood' and **five** scales for 'impact'. The scoring on both scales is the same for likelihood and impact i.e. 1,2,3,4 or 5. This means the overall risk level can range from 1-25. Categorisation of Likelihood ranges through Rare/Unlikely/Possible/Likely/Almost Certain, whilst Impact categories range through Insignificant/Minor/Moderate/Major/Catastrophic. Based on the overall score, the risk is categorised into one of four risk levels (very low/low/moderate/high).

Figure 2 PTHB Risk Assessment Matrix

LIKELIHOOD	IMPACT				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Almost certain 5	5	10	15	20	25
Likely 4	4	8	12	16	20
Possible 3	3	6	9	12	15
Unlikely 2	2	4	6	8	10
Rare 1	1	2	3	4	5

Categorisation of Risk

The following table explains how risks should be categorised at the risk assessment stage:

Very Low	1-3	Low	4-8	Moderate	9-12	High	15-25
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2.3 Differences between the 2 Matrices

Significant difference between the council and PTHB current matrices are highlighted in the table below.

Element	PCC	PTHB
Assessment scales	4 by 4	5 by 5

Scoring range	1-28	1-25
Likelihood categorisation (See Appendices A & B)	Low/Medium/High/Very High	Rare/Unlikely/Possible/ Likely/Almost Certain
Impact categorisation (See Appendices C & D)	Low/Medium/High/Very High	Insignificant/Minor/Moderate/ Major/Catastrophic
Opportunity Risks scoring available	Yes	No
Overall Categorisation descriptor defined	No	Yes

3. Impacts and Benefits of revising PCC Risk Matrix to align with PTHB Risk Matrix

3.1 As outlined above, it is proposed that the council changes its current Risk Assessment Matrix (Figure 1) to a 5 x 5 matrix to align with the PTHB matrix (Figure 2). The impacts and benefits of revising the council matrix are identified as follows:

Impacts

- The Strategy, Performance and Transformation Programmes Team would need to amend the matrix on JCAD (risk management software) and would provide significant support to each individual service as part of reviewing and updating scores.
- Risk Owners would have to review the scoring of all their current risks recorded on JCAD, including the Strategic Risk Register, Transformation Programme Risk Register and individual Service Risk Registers (the number of risks ranges from 1 to 30 per service). The Risk Owners would also be responsible for ensuring new scores are updated and recorded on JCAD. Best practice is that scores would need to be reviewed and agreed at the Services Management Team meeting and not done in isolation by the Risk Owner. It is estimated that this would take between 1 to 4 hours per service depending on number or risks. Heads of service are responsible for ensuring their risk registers are reviewed and reported at least quarterly at the performance review meetings.
- Executive Management Team, Senior Leadership Team and Cabinet would need to agree the threshold score which determines whether a risk should automatically be included on the Strategic Risk Register (based on the current matrix the threshold score is 14 and above). A threshold of 15 is suggested based on the proposed new scoring matrix.
- Revision of JCAD reports by JCAD system administrators will be funded within existing budget.
- Associated processes will require updating e.g. Integrated Impact Assessment.
- Descriptors for a revised scoring matrix would need to be identified, as the council would not be able to use the PTHB descriptors as they stand (the PTHB descriptors would not be relevant to PCC risk). With different descriptors, it should be noted, that the two matrices would not be directly comparable.

Benefits

- Simplified scoring and five-scaled matrix to align with the one of our key partners, the Powys Teaching Health Board in order to ensure that when we are working on joint projects we have a joint understanding on how we are scoring and managing risk which is important to the success of these programmes.

4. Risk Champions and Risk Training Requirements

4.1 The Strategy, Performance and Transformation Programmes team plan to work with services to identify a risk champion to support risk management within the service. To assist these champions the SPTP Team are currently investigating viable options for a company to deliver training on site rather than requiring individuals to attend training elsewhere. The cost would need to be absorbed by each service. The revised Risk Management Toolkit will be the first point of call for those requiring an understanding of risk management and how it operates within the council.

5. Recommendations

5.1 Based on the impacts and benefits outlined in section 3 of this report, Cabinet consider whether the council should change its current Risk Assessment Matrix to align with the PTHB Risk Assessment Matrix. **A proposed new Risk Assessment Matrix for the council is set out in Appendix E** (including new risk matrix, likelihood guidance, impact guidance and categorisation of risk).

Appendix A

PCC Current Likelihood Descriptors

	Likelihood Ratings			
Likelihood	Low (1)	Medium (2)	High (3)	Very High (4)
Description	Might happen on rare occasions.	Will probably happen, possibly on several occasions.	Will probably happen at regular intervals.	Likely to happen, possibly frequently.
Numerical Likelihood	Less than 10%	Less than 50%	50% or more	75% or more

Appendix B

PTHB Likelihood Descriptors

Level	Descriptor	Description
1	Rare	May occur only in exceptional circumstances
2	Unlikely	Not expected but could occur at some time
3	Possible	May/will occur at some time
4	Likely	Will probably occur but not a persistent issue
5	Almost Certain	Likely to occur on many occasions, a persistent issue

Appendix C

PCC Current Impact Descriptors

Impact Category	Impact Levels			
	Low (1)	Medium (3)	High (5)	Very High (7)
Service Provision	Limited effect (positive or negative) on service provision. Impact can be managed within normal working arrangements.	Noticeable and significant effect (positive or negative) on service provision. Effect may require some additional resource, but manageable in a reasonable time frame.	Severe effect on service provision or a Corporate Strategic Plan priority area. Effect may require considerable additional resource but will not require a major strategy change.	Extremely severe service disruption. Legal action. Effect could not be managed within a reasonable time frame or by a short term allocation of resources, and may require major strategy changes. The Council risks special measures. Officer/Member forced to resign.
Communities	Minimal impact on community.	Noticeable (positive or negative) impact on the community or a more manageable impact on a smaller number of vulnerable groups/individuals which is not likely to last more than six months.	A more severe but manageable impact (positive or negative) on a significant number of vulnerable groups/individuals which is not likely to last more than twelve months.	A lasting and noticeable impact (positive/negative) on a significant number of vulnerable groups/ individuals.
Environmental	No effect (positive or negative) on the natural and built environment.	Short term effect (positive or negative) on the natural and or built environment.	Serious local discharge of pollutant or source of community annoyance that requires remedial action.	Lasting effect (positive or negative) on the natural and or built environment.
Financial (loss/gain)	Under £0.5m.	Between £0.5m - £3m.	Between £3m - £5m.	More than £5m.
Legal/regulatory	No significant legal implications or action is anticipated	Tribunal/Powys County Council legal team involvement required (potential for claim).	Criminal prosecution anticipated and/or civil litigation.	Criminal prosecution anticipated and or civil litigation (> 1 person).
Personal safety	Minor injury to citizens or colleagues.	Significant injury or ill health of citizens or colleagues causing short-term disability/absence from work.	Major injury or ill health of citizens or colleagues may result in. long term disability/absence from work.	Death of citizen(s) or colleague(s). Significant long-term disability/absence from work.
Programme/project management	Minor delays and/or budget overspend, but can be brought back on schedule with this project stage. No threat to delivery of the project on time and to budget and no threat to identified benefits/outcomes.	Slippage causes significant delay to delivery of key project milestones, and/or budget overspends. No threat to overall delivery of the project and the identified benefits / outcomes.	Slippage causes significant delay to delivery of key project milestones; and/or major budget overspends. Major threat to delivery of the project on time and to budget, and achievement of one or more benefits / outcomes.	Significant issues threaten delivery of the entire project. Could lead to project being cancelled or put on hold.
Reputation	Minimal and transient loss of public or partner trust. Contained within the individual service.	Significant public or partner interest although limited potential for enhancement of, or damage to, reputation. Dissatisfaction reported through Council Complaints procedure but contained within the Council. Local MP involvement. Some local media/social media interest.	Serious potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council. Dissatisfaction regularly reported through Council Complaints procedure. Higher levels of local or national interest. Higher levels of local media/social media interest.	Highly significant potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council. Intense local, national and potentially international media attention. Viral social media or online pickup. Public enquiry or poor external assessor report.

Appendix D

PTHB Impact Descriptors

Descriptor	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Objectives / Project	Barely noticeable reduction in scope / quality / schedule	Minor reduction in scope / quality / schedule Project Budget Overruns	Reduction in scope or quality, project objectives or schedule	Significant project overrun	Inability to meet project objectives, reputation of the organisation seriously damaged.
Injury (physical and psychological) to patient / visitor / staff.	Adverse event leading to minor injury not requiring first aid	Minor injury or illness, first aid treatment required Short term injury/harm < 1month Staff sickness < 3 days	Agency reportable, e.g. HSE, MHRA, Police. Semi-permanent injury (< 1 year) requiring medical treatment and/or counselling. Staff sickness < 4 weeks	Major injuries / long term incapacity or disability (e.g. loss of limb/mis-diagnosis mis-treatment leading to poor prognosis). Long term sickness > 4 weeks	Incident leading to death or major Permanent incapacity. Significant number of people affected (screening errors)
Patient Experience	Reduced quality of patient experience /	Unsatisfactory patient experience / clinical outcome	Unsatisfactory patient experience / clinical outcome.	Unsatisfactory patient experience /	Unsatisfactory patient experience /
	clinical outcome not directly related to delivery of clinical care	directly related to care provision – readily resolvable	short term effects – expect recovery < 1wk	clinical outcome, long term effects – expect recovery > 1wk	clinical outcome, continued ongoing long term effects
Complaints / Claims	Locally resolved verbal complaint	Justified written Complaint peripheral to clinical care	Below excess non clinical claim. Clinical litigation possible. Justified complaint	Non clinical claim above excess level. Clinical litigation expected/almost certain. Multiple justified complaints	Multiple claims or single major claim Litigation certain
Service / Interruption	Interruption in a service which does not impact on the delivery of patient care or the ability to continue to provide service	Short term disruption to service with minor impact on patient care	Some disruption in service with unacceptable impact on patient care Temporary loss of ability to provide service	Sustained loss of service which has serious impact on delivery of patient care resulting in major contingency plans being invoked.	Permanent loss of core service or facility
Staffing and Competence	Short term low staffing level temporarily reduces service quality (less than 1 day) Short term low staffing level (>1 day), where there is no disruption to patient care	Ongoing low staffing level reduces service quality Minor error due to ineffective training / implementation of training	Late delivery of key objective / service due to lack of staff. Moderate error due to ineffective training / implementation of training Ongoing problem with staffing levels	Uncertain delivery of key objective / service due to lack of staff. Major error due to ineffective training / implementation of training	Non delivery of key objective / service due to lack of staff. Loss of key staff. Critical error due to ineffective training / implementation of training
Financial (including damage / loss / fraud)	Negligible organisational / personal financial loss (£<5k)	Minor organisational / personal financial loss (£5k-£25k)	Significant organisational / personal financial loss (£25k-50k)	Major organisational / personal financial loss (£50k - £1 million)	Severe organisational / personal financial loss (>£1 million)

Financial (including damage / loss / fraud)	Negligible organisational / personal financial loss (£<5k)	Minor organisational / personal financial loss (£5k-£25k)	Significant organisational / personal financial loss (£25k-50k)	Major organisational / personal financial loss (£50k - £1 million)	Severe organisational / personal financial loss (>£1 million)
Inspection / Audit	Small number of recommendations which focus on minor quality improvement issues	Recommendations made which can be addressed by low level of management action.	Challenging recommendations that can be addressed with appropriate action plan	Enforcement action. Low rating Critical report.	Prosecution. Zero rating Severely critical report
Adverse Publicity / Reputation	Rumours, no media coverage Little effect on staff morale	Local media coverage – short term. Some public embarrassment. Minor effect on staff morale / public attitudes.	Local media – long term adverse publicity. Significant effect on staff morale and public perception of the organisation	National media / adverse publicity, less than 3 days. Public confidence in the organisation undermined Use of services Affected	National / International media / adverse publicity, >3 days. MP concern (Questions in Parliament). Court Enforcement Public Enquiry

Appendix E

PCC Proposed new Risk Assessment Matrix to align with PTHB

Risk Matrix

		THREATS					OPPORTUNITIES					
Likelihood	Almost certain (5)	5	10	15	20	25	25	20	15	10	5	Almost certain (5)
	Likely (4)	4	8	12	16	20	20	16	12	8	4	Likely (4)
	Possible (3)	3	6	9	12	15	15	12	9	6	3	Possible (3)
	Unlikely (2)	2	4	6	8	10	10	8	6	4	2	Unlikely (2)
	Rare (1)	1	2	3	4	5	5	4	3	2	1	Rare (1)
Likelihood x Impact = Overall Risk Level		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)	Catastrophic (5)	Major (4)	Moderate (3)	Minor (2)	Insignificant (1)	Likelihood x Impact = Overall Risk Level
		Impact					Impact (Positive)					

Likelihood Guidance

Likelihood Ratings					
Likelihood	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost certain (5)
Description	May occur only in exceptional circumstances.	Not expected but could occur at some time.	May/ will occur at some point.	Will probably occur but not a persistent issue.	Likely to occur on many occasions, a persistent issue

	Impact Levels				
Impact Category	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Programmes/ Projects/ objectives	Barely noticeable reduction in scope / quality /schedule. No threat to delivery of the project on time and to budget and no threat to identified benefits/outcomes.	Minor reduction in scope / quality / schedule. Project Budget Overruns. No threat to overall delivery of the project and the identified benefits / outcomes.	Reduction in scope or quality, project objectives or schedule. Moderate threat to delivery of the project on time and to budget, and achievement of benefits/ outcomes.	Significant project overrun. Major threat to delivery of the project on time and to budget, and achievement of one or more benefits / outcomes.	Inability to meet project objectives, reputation of the organisation seriously damaged
Personal safety	Adverse event leading to minor injury not requiring first aid.	Minor injury or illness, first aid treatment required Short term injury/harm < 1month Staff sickness< 3 days	Agency reportable, e.g. HSE, Police. Semi-permanent injury (< 1 year) requiring medical treatment and/or counselling. Staff sickness < 4 weeks	Major injuries / long term incapacity or disability (e.g. loss of limb/mis- diagnosis mis- treatment leading to poor prognosis). Long term sickness>4 weeks	Incident leading to death or major Permanent incapacity. Significant number of people affected
Residents and Communities	No impact on community.	Minimal impact on community.	Noticeable (positive or negative) impact on the community or a more manageable impact on a smaller number of vulnerable groups/individuals which is not likely to last more than six months.	A more severe but manageable impact (positive or negative) on a significant number of vulnerable groups/individuals which is not likely to last more than twelve months.	A lasting and noticeable impact (positive/negative) on a significant number of vulnerable groups/ individuals.
Legal	Unlikely to cause complaint/litigation. Resolved with no legal implications.	High potential for complaint, litigation possible. Minor legal implications or action is anticipated	Litigation to be expected. Tribunal/Powys County council legal team involvement required (potential for claim).	Litigation almost certain and difficult to defend. Criminal prosecution anticipated and/or civil litigation.	Litigation certain. Criminal prosecution anticipated and or civil litigation (> 1 person).

Service Provision	Interruption in a service which does not impact on the ability to continue to provide service	Short term disruption to service with minor impact on residents / communities. Impact can be managed within normal working arrangements.	Some disruption in service with unacceptable impact on residents/ communities. Temporary loss of ability to provide service. Effect may require some additional resource, but manageable in a reasonable time frame.	Sustained loss of service which has serious impact on residents / communities. Effect may require considerable additional resource but will not require a major strategy change.	Permanent loss of core service or facility. Effect could not be managed within a reasonable time frame or by a short-term allocation of resources and may require major strategy changes. The council risks special measures. Officer/Member forced to resign.
Staffing and competence	Short term low staffing level temporarily reduces service quality (less than 1 day) Short term low staffing level (>1 day), where there is no disruption to service	Ongoing low staffing level reduces service quality Minor error due to ineffective training / implementation of training	Late delivery of key objective / service due to lack of staff. Moderate error due to ineffective training / implementation of training. Ongoing problem with staffing levels	Uncertain delivery of key objective / service due to lack of staff. Major error due to ineffective training / implementation of training	Non delivery of key objective / service due to lack of staff. Loss of key staff. Critical error due to ineffective training / implementation of training
Financial (loss/gain)	Negligible organisational / personal financial loss (£<5k) Under £0.5m.	Minor organisational / personal financial loss (£5k-£25k) Between £0.5m - £3m.	Significant organisational / personal financial loss (£25k-50k) Between £3m - £5m.	Major organisational / personal financial loss (£50k - £1 million) More than £5m.	Severe organisational /personal financial loss (>£1 million)
Inspection/ Audit	Small number of recommendations which focus on minor quality improvement issues	Recommendations made which can be addressed by low level of management action.	Challenging recommendations that can be addressed with appropriate action plan .	Critical report. Welsh Government Intervention.	Severely critical report. Welsh Government take over. Prosecution.
Reputation	Rumours, no media coverage Little effect on staff morale. Minimal and transient loss of public or partner trust. Contained within the individual service.	Local media coverage – short term. Some public embarrassment. Minor effect on staff morale / public attitudes. Dissatisfaction reported through council complaints procedure. Local MP involvement.	Local media – long term adverse publicity. Significant effect on staff morale and public perception of the organisation. Dissatisfaction regularly reported through council complaints procedure.	National media / adverse publicity, less than 3 days. Public confidence in the organisation undermined. Use of services affected. Viral social media or online pickup.	National/ International media / adverse publicity, >3 days. MP concern. Public Enquiry or poor external assessor report. Legal Action.

Environmental	No lasting effect (positive or negative) on the natural and built environment.	Short term (weeks) minor effect (positive or negative) on the natural and or built environment.	Short term (weeks) moderate effect (positive or negative) on the natural and or built environment.	Medium term (months up to 1 year) major effect (positive or negative) on the natural and or built environment.	Lasting long term (1 year plus) effect (positive or negative) on the natural and or built environment.
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Categorisation of Risk

Risk Level	Action Required
Very Low (1-3)	TBD
Low (4-8)	TBD
Moderate (9-12)	TBD
High (15-25)	TBD