

Risk Scoring Matrix (Plotted March 2024 for current RAG rating and current risk score in consultation with Officers)

This is the matrix that forms part of the risk management policy. We currently assess the level of each risk category by plotting them on this matrix to provide a traffic light RAG rating. We also determine a numerical risk score by multiplying likelihood and impact scores. Please also refer to the next page for further detail on the approach and criteria applied.

When assessing the Council's risks in terms of likelihood and impact, we take into account the national and global picture for wider externalities such as the macroeconomic environment and geopolitical factors. Spelthorne's operations remain influenced by these external challenges and pressures, as is the case for other Councils. Due to these externalities, there are many activities that the Council cannot directly control/mitigate, or influence and continued recognition is important. **Red** risks require prompt, planned management action **Amber** risks require planned management action **Green** risks are accepted risks. RC = Risk category on the detailed register e.g., RC2 = Risk Category 2 – Economy. This is also referred to on the matrix for ease of reference.

IMPACT	4 (Catastrophic)				
	3 (Major)			11	7
	2 (Medium)			4	2
	1 (Trivial)				
		1 (Rare)	2 (Unlikely)	3 (Likely)	4 (Almost certain)
		LIKELIHOOD			

The numbers in the risk matrix above represent the total number of risk items within that level of risk. Click on the number for details of which risks are affected.

Category and Subject area

<ul style="list-style-type: none"> ☐ 1a - Housing – Development and Targets <ul style="list-style-type: none"> 43 Alternative Development delivery options 44 Timelines for delivery 45 Local Plan 52 Housing Development Programme ☐ 1b - Housing – Affordable <ul style="list-style-type: none"> 48 Housing Supply and Demand 78 Housing provision and addressing need ☐ 2 - Economy <ul style="list-style-type: none"> 49 Long Term uncertainty of macroeconomic environment 50 Cost of doing Business crisis ☐ 3 - Financial Resilience and Commercial Assets <ul style="list-style-type: none"> 51 Commercial investment portfolio ☐ 4 - Financial Resilience and Supporting Communities <ul style="list-style-type: none"> 53 Financial Pressures - increased costs 58 Restricted borrowing levels 61 Financial Pressures - Cost of Living Crisis and increased demand on Council Services ☐ 5 - Treasury Management <ul style="list-style-type: none"> 74 Return on Investments 75 Borrowing ☐ 6 - Climate Change <ul style="list-style-type: none"> 62 Climate Change threat and impact 63 Responding and adapting to Climate Change 64 Integration into decision making 65 Targets for Climate Change ☐ 7 - Corporate Capacity, Resources , Recruitment and Retention <ul style="list-style-type: none"> 66 Corporate capacity 67 Recruitment and retention

How risks are scored:

We assess and score risks, with their current controls and current mitigations in place, for likelihood and impact as shown below:

Score	Impact	Likelihood (over 4 years or timescale deemed appropriate)
1	Trivial	Rare (once)
2	Medium	Unlikely (a few times / less than annual)
3	Major	Likely (several times / more than annual)
4	Catastrophic	Almost certain (many times a year)

Impact can be measured in many ways and will be specific to what you are assessing, but the most common are on objectives, finance, and reputation. We then plot the risk on the risk matrix model shown on the prior page to provide a RAG rating, to determine and prioritise the most significant risks for action. The risk action plan (refer to separate document) sets out how the authority is working towards further addressing and mitigating the risks.