

APPENDIX 1

RISK PRIORITISATION SYSTEMS

The Trust's Risk Registers are designed to assess the impact of identified risks on the Trust's objectives and strategic plans. Each risk must be assessed in accordance with impact and likelihood of crystallisation and is then expressed in terms of a risk rating.

The wide variety of risks impacting upon the Trust ranges from those risks which threaten the achievement of the Trust objectives and those which impact mainly on individual Directorates / specialist committees. The potential impact of risks can therefore vary significantly and it is therefore necessary to have two scales for the assessment of impact – one scale for risks which are identified impacting on Trust Objectives and a second scale for those risks which impact on Directorate Objectives.

A1 Risk Prioritisation for Risks of actions supporting Corporate Objectives

All identified risks emanating from high-level actions which support Corporate will be rated in accordance with the following process, as adapted from 'A Risk Matrix for Risk Managers' (NPSA):

A.1.1. Assess potential impact of risk on actions supporting Trust objectives and strategic plans

Domains	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
Impact on the safety of patients, staff or public (physical/psychological harm)	Minimal injury requiring no/minimal intervention or treatment. No time off work An event which impacts on more than 1 patient / member of staff	Minor injury or illness, requiring minor intervention Requiring time off work for >3 days Increase in length of hospital stay by 1-3 days An event which impacts on more than 10 patients /staff	Moderate injury requiring professional intervention Requiring time off work for 4-14 days Increase in length of hospital stay by 4-15 days RIDDOR/agency reportable incident An event which impacts on more than 20 patients /staff	Major injury leading to long-term incapacity/disability Requiring time off work for >14 days Increase in length of hospital stay by >15 days Mismanagement of patient care with long-term effects An event which impacts on more than 50 patients/staff	Incident leading to death Multiple permanent injuries or irreversible health effects An event which impacts on more than 100 patients/staff

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Quality/complaints/audit	Peripheral element of treatment or service suboptimal Informal complaint/inquiry	Overall treatment or service suboptimal Formal complaint (stage 1) Local resolution Single failure to meet internal standards Minor implications for patient safety if unresolved Reduced performance rating if unresolved	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) complaint Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/independent review Low performance rating Critical report	Totally unacceptable level or quality of treatment/service Gross failure of patient safety if findings not acted on Inquest/ombudsman inquiry Gross failure to meet national standards
Human resources/organisational development/staffing/ competence	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/ service due to lack of staff Unsafe staffing level or competence (>1 day) Low staff morale Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff Unsafe staffing level or competence (>5 days) Loss of key staff Very low staff morale No staff attending mandatory/ key training	Non-delivery of key objective/service due to lack of staff Ongoing unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training /key training on an ongoing basis
Statutory duty/inspections	No or minimal impact or breach of guidance/statutory duty	Breach of statutory legislation Reduced performance rating if unresolved	Single breach in statutory duty Challenging external recommendations/ improvement notice	Enforcement action Multiple breaches in statutory duty Improvement notices Low performance rating Critical report	Multiple breaches in statutory duty Prosecution Complete systems change required Zero performance rating Severely critical report
Adverse publicity/reputation	Rumours Potential for public concern	Local media coverage – short-term reduction in public confidence Elements of public expectation not being met	Local media coverage – long-term reduction in public confidence	National media coverage with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House) Total loss of public confidence
Business objectives/ projects	Insignificant cost increase/ schedule slippage	<5 per cent over project budget Schedule slippage	5–10 per cent over project budget Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget Schedule slippage Key objectives not met

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Finance including claims	Small loss less than 0.1 per cent of budget Claim less than £100,000	Loss of 0.1–0.25 per cent of budget Claim(s) between £100,000 and £250,000	Loss of 0.25–1.0 per cent of budget Claim(s) between £250,000 and £1 million	Uncertain delivery of key objective/Loss of 1.0–3.0 per cent of budget Claim(s) between £1m and £3m Purchasers failing to pay on time	Non-delivery of key objective/ Loss of >3 per cent of budget Failure to meet specification/ slippage Loss of contract / payment by results Claim(s) >£3 million
Service/business interruption Environmental impact	Loss/interruption of >1 hour Minimal or no impact on the environment	Loss/interruption of more than 1 day Minor impact on environment	Loss/interruption of more than 1 week Moderate impact on environment	Loss/interruption of more than 1 month Major impact on environment	Loss/interruption of more than 3 months Catastrophic impact on environment

A1.2. Assess the likelihood of the risk crystallising

LIKELIHOOD OF RISK CRYSTALLISING (occurring)	
Level	Detail description examples
1	▪ Rare – This will probably never happen / recur or may occur only in exceptional circumstances (up to 20%). The expected frequency is no more than once.
2	▪ Unlikely – Do not expect it to happen / recur but it could occur at some time (21% to 40%).
3	▪ Possible – Might happen or recur at some time (41% to 60%)
4	▪ Likely - Will probably happen or occur in most circumstances (61% to 80%)
5	▪ Almost certain – Is expected to occur in most circumstances or recur, possibly frequently (81% to 100%)

A2 Risk Prioritisation for Local Risks

All identified local or specialist risks affecting actions supporting Directorate Objectives will be rated in accordance with the following process:

A2.1. Assess potential impact of risk on Directorate objectives and actions

The potential impact of local risks will be assessed using the same risk matrix as for corporate risks. However, the Finance domain scores have been adjusted to reflect the localised nature of the threat, as follows

Domains	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
Finance including claims	Small loss less than 0.1 per cent of budget Claim less than £20,000	Loss of 0.1–0.25 per cent of budget Claim(s) between £20,000 and £40,000	Loss of 0.25–1.0 per cent of budget Claim(s) between £40,000 and £60,000	Uncertain delivery of key objective/Loss of 1.0–3.0 per cent of budget Claim(s) between £60,000 and £80,000	Non-delivery of key objective/ Loss of >3 per cent of budget Failure to meet specification/ slippage Loss of contract /

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					payment by results Claim(s) between £80,000 and £100,000
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A.2.2. Assess the likelihood of the risk crystallising

LIKELIHOOD OF RISK CRYSTALLISING (OCCURRING)	
Level	Detail description examples
1	<ul style="list-style-type: none"> ▪ Rare – This will probably never happen / recur or may occur only in exceptional circumstances (up to 20%). The expected frequency is no more than once.
2	<ul style="list-style-type: none"> ▪ Unlikely – Do not expect it to happen / recur but it could occur at some time (21% to 40%).
3	<ul style="list-style-type: none"> ▪ Possible – Might happen or recur at some time (41% to 60%)
4	<ul style="list-style-type: none"> ▪ Likely - Will probably happen or occur in most circumstances (61% to 80%)
5	<ul style="list-style-type: none"> ▪ Almost certain – Is expected to occur in most circumstances or recur, possibly frequently (81% to 100%)

A.2.3. Determine the overall risk rating by combining the potential impact of the risk and the likelihood of the risk crystallising

		Impact				
		1	2	3	4	5
Likelihood	1	Low	Low	Low	Medium	Medium
	2	Low	Medium	Medium	Medium	High
	3	Low	Medium	Medium	High	High
	4	Medium	Medium	High	High	Extreme
	5	Medium	High	High	Extreme	Extreme

Any risk that scores 10 or above in the risk assessment process results in an overall risk rating of HIGH (Orange) and risks scoring over 20 are considered to be EXTREME (Red). Any risk scoring 9 or below in the risk assessment process results in an overall risk rating of MEDIUM (Yellow) and risks scoring below 4 results in an overall risk rating of LOW (Green).