



Risk Assessment Guidance

Risk – Threats					
Impact	Very high - 4	4	8	12	16
	High - 3	3	6	9	12
	Medium - 2	2	4	6	8
	Low - 1	1	2	3	4

Risk – Opportunities					
16	12	8	4	Significant - 4	Impact
12	9	6	3	Moderate - 3	
8	6	4	2	Minor - 2	
4	3	2	1	Insignificant - 1	

1	2	3	4
Unlikely	Possible	Probable	Highly probable
Likelihood			

4	3	2	1
Highly probable	Probable	Unlikely	Rare
Likelihood			

Threats criteria	
Impact	Thresholds and Description
1 – Low	Limited impact on service objectives if any, section objectives unlikely to be met, financial loss less than £50k, no media attention.
2 – Medium	Slight delay in achievement of service objectives, minor injuries, financial loss over £50k, adverse local media attention, breaches of local procedures.
3 – High	Significant threat to council objectives. Non-statutory duties not achieved, permanent injury, financial loss over £250k, negative national media attention, litigation expected, serious issues raised through inspection, breakdown of confidence of partners.
4 – Very high	Objectives cannot be delivered. Statutory duties not achieved, death, financial loss over £750k, adverse national media attention, litigation almost certain, prosecutions, breaches of law, inspection highlights inadequate service, council unable to work with partner organisation.

Opportunities criteria	
Impact	Thresholds and Description
1 – Insignificant	<ul style="list-style-type: none"> - Little or no improvement to service. - Little or no improvement to welfare of staff / public. - Little or no financial income / efficiency savings (less than £50k). - Little or no improvement to environment or assets. - Little or no feedback from service users.
2 – Minor	<ul style="list-style-type: none"> - Minor improvement to service. - Minor improvement to welfare of staff / public. - Improvement that produces £50k+ of income / efficiency savings. - Minor improvement to environment or assets. - Positive user feedback.
3 – Moderate	<ul style="list-style-type: none"> - Moderate improvement to service. - Moderate improvement to welfare of staff / public. - Improvement that produces £250k+ of income / efficiency savings. - Moderate improvement to environment or assets. - Positive local media contact.
4 – Significant	<ul style="list-style-type: none"> - Significant improvement to service. - Significant improvement to welfare of staff / public. - Improvement that produces £750k+ of income / efficiency savings. - Significant improvement to environment or assets. - Positive local media coverage.

Threats criteria	
Likelihood	Description
1 – Unlikely	May occur only in exceptional circumstances (e.g. once in 10 years).
2 – Possible	Unlikely to occur but could at some time (e.g. once in 3 years).
3 – Probable (in 2 years)	Fairly likely to occur at some time or under certain circumstances (e.g. once in 2 years).
4 – Highly probable (in 12 months)	Will probably occur at some time or in most circumstances (e.g. once in 12 months).

Opportunities criteria	
Likelihood	Description
1 – Rare	Opportunity has not been fully investigated but considered extremely unlikely to materialise.
2 – Unlikely	Opportunity has not been fully investigated; achievability is unproven / in doubt.
3 – Probable (in 2 years)	Opportunity may be achievable, but requires significant management, planning and resources.
4 – Highly probable (in 12 months)	Opportunity is achievable with careful management.

Derby Homes Risk Appetite

Whilst Derby Homes' approach to risk management is to be 'Opportunist' with respect to its ideas and thoughts, our overall risk appetite is 'Creative and Aware' in terms of delivery on the ground. Therefore, taking all strategic objective risk appetite alignments into consideration, our overall risk appetite statement is to be creative and risk aware.

'Derby Homes wishes to be creative and open to consider all delivery options and will select those with the highest probability of productive outcomes whilst being aware of the impact of its key decisions.'

There are obvious exceptions to this, which would include, for instance, a much more risk averse attitude in the areas of Health and Safety and Safeguarding risks. Risk appetite is therefore something that has to be assessed for each appropriate risk.

