

Report to: Audit Committee
Agenda item: 5.2
Date: 26 September 2012
Subject: BTPA Risk Register
Sponsor: Authority Finance Director
For: Noting

1. Purpose of paper

- 1.1 To update Members of the Audit Committee on the progress of the BTPA Strategic Risk Register (SRR). The SRR was last submitted to the Audit Committee on 31 May 2012.
- 1.2 The Chief Executive, Authority Finance Director and members of the Authority Senior Management Team (SMT) have met and reviewed the existing operational and strategic risks. It was agreed by SMT that the operational risks would not be presented to the Audit Committee.

2. Work completed

- 2.1 The Authority's SRR is detailed in Appendix A.
- 2.2 The risks were last reviewed and updated by the SMT on the 6 September 2012. The register is reviewed and updated regularly.
- 2.3 No risks have currently been escalated by the BTP for inclusion on the BTPA Strategic Risk Register.
- 2.4 A number of the risks can only be managed to a certain level and the Authority highlights those outside of our control to the DfT. We continue to share our strategic risk registers with the DfT at our bi-monthly meetings.

3. Table of strategic risk ratings

The following table indicates the current ratings of all Authority strategic risks. Since the last meeting, risks ASR59 (The 2012-13 charging model imposes increased charges for some PSA holders who subsequently challenge the model) has been closed.

Probability ↑ ----- ↓	Probable and imminent (4)				
	Probable (3)			ASR 50 ASR 52	
	Possible (2)		ASR 56		ASR 57
	Remote (1)				
Impact ----->		Minor (1)	Moderate (2)	Significant (3)	Major (4)
* Risks are now considered ALARP					

All the risk ratings remain unchanged since the last Audit Committee. The risks can be grouped into the following areas:

- Pensions;
- PSA contracts and charging post 2013/14 and
- Budgetary constraints.

Pension risks

(ASR57)

- Investment Risk in relation to the pension scheme - A paper has been prepared and after being shared with BTP it is being discussed with Howard Collins as Chair of the Pension sub-group meeting to highlight the options open to the Authority and BTP as a result of the Hutton Report, and the announcement from the Government to move away from a final salary scheme to career average schemes.

Risks of the post 2013/14 PSA and charging regime

(ASR50, ASR52 and ASR56)

- Failure to have a signed PSA in place by April 2013 leads to PSA holders being in breach of licence requirement (ASR50) and successful challenges to the new charging regime post 2013/14 lead to a budget deficit - the Authority have received feedback from ATOC and are currently reviewing the feedback that has been received to date. Once this has been completed, the new PSA will be submitted to DfT for agreement.

- London Underground Charges and Governance – the only outstanding issue concerning the PSA relates to the indemnity for insurance. BTP are meeting their insurance providers to agree the additional charges.

4. Potential new risks

- 4.1 A potential risk around EPSAs has been highlighted, which relates to the obligation to a new franchisee to assume an existing EPSA with the previous franchisee in the rail re-franchising process. This has been formally raised with the DfT Sponsorship team and will be assessed at our next risk meeting in the Executive.
- 4.2 A new risk will be added regarding the valuation of the Police Officers pension scheme as at 31 December 2012. The last formal valuation took place as at December 2009 and the scheme had a deficit of £36 million and a recovery plan was agreed with the Pensions Trustee and the Pensions Regulator in March 2011. The work being undertaken as part of the Hutton review will support any assumptions and additional recovery plan required.

5. Recommendation

The Committee is asked to note the attached strategic risks.

Risk Owner	Action Lead	Original			Status	Risk Description, (Date Raised) and Current Controls	Mitigating Actions, progress and completion date	Estimated Action Closure Date	Estimated Risk Closure Date	Current			Changes to key indicators: Residual Rating (Increased,Unchanged or Reduced) Dates of Last Update and changes to Progress and Rating
		Probability	Impact	Overall						Probability	Impact	Overall	
Finance Director to the BTPA	Finance Director to the BTPA	ASR52			Open	Challenges to the new charging mechanism (effective 2013/14) leads to a budget shortfall (8/2/10)							<p>Update 6 September 2012: BTPA have had a meeting with ATOC and have received their feedback. The next steps are to review all the feedback that has been received, and to submit the new PSA to DfT by the end of September.</p> <p>Update 18 July 2012: BTPA are aware that there is a potential that some operators may challenge this. BTPA have no yet received any formal notification.</p> <p>Update 3 May 2012: The current wording of the new PSA, if agreed will not lead to a budget deficit as per clause 5.5(d), therefore if all PSA holders sign the budget shortfall cannot occur. If an arbitration is mounted by the PSA holders, any shortfall agreed by the arbitrator would be distributed across the other PSA holders as per clause 5.5(d)</p> <p>Update 7 March 2012: See update above for ASR50</p> <p>Update 8 February 2012: Meetings with at Group and Managing Director level taking place to provide an overview of the model. These meeting will assist with future planning.</p> <p>Update 8 November 2011: The risk of challenge is reduced by the retention of the Matrix model and the option of tapering the transfer to the Matrix as franchises expire. The settlement agreement with Arriva Trains expires on 31 March 2013 which increases the risk of challenge to the Matrix model post 2013.</p> <p>Update 6 September 2011: The work to reduce the probability of the previous risk (ASR51) contributes to the reduction in probability of this risk. This risk with respect Risk agreed for inclusion on SRR by BTPA Finance Director</p>
		2	3	6		Charging sub-group	Action 1: BTPA to work up principles to underpin a possible new model and consult with PSA holders and other stakeholders.	30-Sep-11	30-Jun-13	3	3	9	
						Project control group	Action 2: BTPA to adopt a low risk approach	30-Sep-11					
						DfT Engagement throughout process	Action 3: BTPA to assess risks and produce a plan to mitigate those risks.	30-Sep-11					
Chief Executive to the BTPA	Chief Executive to the BTPA	ASR50			Open	Failure of BTPA to have signed PSA in place by 1 April 2013 leads to PSA holders being in breach of their licence requirements (8/2/10)							<p>Updated 6 September 2012: BTPA have had a meeting with ATOC and have received their feedback. The next steps are to review all the feedback that has been received, and to submit the new PSA to DfT by the end of September.</p> <p>Update 18 July 2012: The new PSA has been consulted on, and the comments received have been taken into account and the PSA amended where appropriate. The new PSA will be signed off by the Authority out of Committee and submitted to the DfT by the end of September for sign off. A meeting between Liz Pike, Andrew Figgures and Weightmans will take place to go through the amendments. Once the new PSA has been signed the potential risk will be the possibility of an arbitration based on the onus nature of the contract. The Authority will see QC advice on this.</p> <p>Update 3 May 2012: Written responses have been received from all PSA holders. The main issues highlighted by the PSA holders have been highlighted to both the DfT and the Authority. BTPA have received support from DfT in relation to these. An update has been provided to ATOC, and individual responses have been drafted for each PSA holder, these are awaiting approval. Further meetings are taking held with PSA holders. The next steps are to wait for further feedback from ATOC.</p> <p>Update 7 March 2012: Written responses received from ATOC, ATW and Southeastern. A response from Network Rail is expected. The responses are being reviewed.</p> <p>Update 8 February 2012: ATOC is co-ordinating a collective response from its members. Letters have been sent to the TOCs who have not yet been seen, and meetings are being held.</p> <p>Update 8 November 2011: Preliminary meeting held between DfT sponsorship team, lawyers and BTPA on 11 October. Minor revisions were discussed and a revised PSA is being drafted.</p> <p>Update 6 September 2011: Comments received from the Authority Members at its meeting in July 2011. Legal advice has been sought and a further paper will be prepared.</p> <p>Risk agreed for inclusion on SRR by BTPA Finance Director</p>
		1	3	3		Draft PSA submitted to DfT	Action 1: Share agreement with PSA rail industry	31-Mar-12	31-Mar-13	3	3	9	
						Bi-monthly meetings with DfT	Action 2: BTPA to agree draft with DfT.						
Finance Director to the BTPA	Finance Director to the BTPA	ASR57			Open	Investment Risk in relation to the Pension Scheme - The profile of the investments held for the police officers is not matched to the profile of Membership (1/03/11)							<p>Update 6 September 2012: A paper will be submitted to the next Pension sub-group for discussion. The date for this meeting is yet to be confirmed. A meeting is being arranged to between Liz Pike and Howard Collins to go through the possible options for BTP in light of the Hutton report.</p> <p>Update 18 July 2012: Punter Southall are doing an interim valuation as at the end of June, but this is yet to be presented to the Trustee. Once this has been received, along with the potential impact of the Hutton report the options will be discussed at the September Pensions sub group meeting.</p> <p>Update 3 May 2012: A meeting has been held with RPMI where the timing strategy was discussed. This will be changed once the unauthorised pensions situation have been satisfactory completed. The estimated closure date has been amended from 31 March 2012 to December 2012 to allow time for the unauthorised pensions situation to be resolved.</p> <p>Update 12 March 2012: Meeting held with RPMI / Punter Southall to discuss timing and process of the move, movement out of equities has started.</p> <p>Update 8 November 2011: Trustee has agreed the proposals submitted on investment strategy subject to there being no adverse affect on the joint contribution rate.</p> <p>Update 6 September 2011: Proposal on Investment strategy submitted to the Trustee for the Police Officer scheme. The aim being to de-risk the investments. Paper agreed for inclusion on SRR by BTPA Finance Director</p>
		2	4	8		2011 to review the investments and Governance of the scheme.	Action 1: Pension subgroup reviewing the investment strategy with professional support from Punter Southall	30-Sep-11	31-Dec-12	2	4	8	
						Quarterly review of investments by Authority Finance Director and Director of Finance & Corporate Services management committee	Action 2: Pension subgroup reviewing the Governance around investments and management of the scheme.	31-Mar-12					
						Any changes in strategy proposed by the Trustee must be agreed by the Employer	Action 3: Annual updates on valuation in between 3 year formal valuation						
					Action 4: Additional focus on pensions at Authority meetings	31-Dec-11							
Chief Executive to the BTPA	Finance Director to the BTPA	ASR56			Open	LU Ltd Choose to reduce the policing level required from the BTPA or removes it completely leading to a budget deficit and a surplus of resources.							<p>Update 6 September 2012: A meeting is due on the 11 September with TfL and the Lawyers to agree the PSA except for the insurance element. BTP are due to meet their insurance provider to determine what the additional costs would be. A copy of the PSA will be circulated to members for approval bar the insurance clauses.</p> <p>Update 18 July 2012: The contract framework, and the last few elements are being finalised. It is expected that this will be completed by 30 September 2012. There is a potential risk of delay in seeking Home Secretary's agreement, and a potential delay in relation to the wording concerning insurance.</p> <p>Update 3 May 2012: Further meeting held with TfL on 27 April 2012 where a couple of issues were raised and these are currently being clarified. The completion date of 30 June is still achievable subject to any further updates from TfL.</p> <p>Update 12 March 2012: Draft Agreement in negotiation. Two meetings held with TfL and lawyers. Draft to be presented to the Authority on 29 March 2012.</p> <p>Update 8 February 2012: BTPA have spoken to Mike Brown, and a way forward has been agreed. A draft agreement is due on 10 February with comments back by 10 February.</p> <p>Update 8 November 2011: Internal Audit report to be reviewed by the Chief Exec and Authority FD by Mid Nov and findings reported to Audit Committee in mid Dec</p> <p>Update 6 September 2011: Internal Audit work to commence in September on allocation of charges.</p> <p>Risk agreed for inclusion on SRR by BTPA Finance Director</p>
		2	3	6		The contractual relationship between LU and BTPA is not based in statute and policing services might be, or be claimed to be provided more efficiently and effectively by another Force. This could lead to a change in policing requirement which is more rapid than the BTP/BTPAs ability to respond to it.	Action 1: To determine the contractual relationship between TfL and the BTPA and assess the implications of that relationship.	31-Mar-12	30-Sep-12	2	2	4	
						Reviewing the E/PSA and ensuring implementation or processes and that processes are adequate							
						Exposing the calculation of LU overhead to the Finance Group							
				To establish the ownership and control of assets and equipment which are used on a shared basis.									



Report to: Audit Committee
Agenda item: 5.3
Date: 26 September 2012
Subject: BTP Strategic Risk Report
Sponsor: Deputy Chief Constable
For: Information

1. PURPOSE OF PAPER

1.1 To advise members of changes to the British Transport Police (BTP) Strategic Risk Register (SRR) since the last submission to Audit Committee on 31 May 2012, and update members on progress in risk management generally. The SRR is attached at Appendix A and was reviewed by BTP's Service Excellence Board (SEB – formerly Force Management Team) on 20 September 2012.

2. BACKGROUND

2.1 The following table indicates the current ratings of all strategic risks:

←Probability ↑	Probable and Imminent (4)				
	Probable (3)		SR56 SR64		
	Possible (2)		SR61		
	Remote (1)			SR62	
	Impact →	Minor (1)	Moderate (2)	Significant (3)	Major (4)

2.1.1 There have been no new or changed risk ratings since the last report to Audit Committee.

- SR56 – Cable Theft

The reduction in metal theft continues with reductions in offences of approximately 50%. Detection rates of 38% and 23% have been achieved for live and non-live



offences respectively. The implementation of cashless transactions for SMDs will commence in November 2012 and guidance for officers is being compiled.

- SR61 – Terrorism

The full complement of 50 Authorised Firearms Officers (AFOs) comprising of 45 constables and five sergeants has been achieved. This is higher than originally planned and negates the need for a standing reserve of AFOs. However, recruitment of reserve AFOs will continue in order to provide core team succession planning and resilience.

- SR62 – One Police Force for Scotland

The Police and Fire Reform (Scotland) Bill received Royal Assent on 8 August 2012. The risk rating remains unchanged following recognition that a S104 Order under the Scotland Act would be required to protect the powers and status of BTP officers in Scotland when the Scottish Police Service is introduced on 1 April 2012. An Intranet page dedicated to police reform in Scotland has been created and will be updated regularly.

2.1.2 Two risk entries (Disaster Recovery and WAN) have been closed since the last report to Audit Committee. These IT projects have been removed from the SRR following substantive delivery of the project goals. They will however remain on the Corporate Resources risk register until all work streams associated with the projects have been completed:

- SR41 – Disaster Recovery

Work to deliver the Disaster Recovery (DR) suite at Axis House in Birmingham was completed in June 2012. The suite is operational and data has successfully been transferred between the FHQ servers and the DR server. Testing of all applications has been completed and a full site failover and failback is scheduled to take place in October 2012.



- SR63 – WAN Programme

The new Wide Area Network (WAN) and IP Telephony capability has been delivered to all 137 BTP sites. Secondary links remain outstanding at three sites, and progress toward final completion of the project is managed via a weekly telephone conference call between BTP and BT. Final completion of all work is anticipated in October 2012.

3. RISK MANAGEMENT PROGRESS

3.1 Progress on other risk management matters include:

- Publication of the updated Risk Management Policy, which is now aligned with the National Decision Making model.
- A business case considering the implementation of a risk management system has been agreed by the Head of Strategic Development. Invitations to tender will be issued in October 2012.

4. FINANCIAL IMPLICATIONS

4.1 No new financial implications arise as a consequence of this paper.

5. DIVERSITY ISSUES

5.1 The content of this paper relates to the management of business risks and has no direct impact on any issues related to diversity and equality.

6. RECOMMENDATIONS

6.1 That members note the amendments to the SRR and the update on risk management.

Unit/ Area	Risk Owner	Original Rating			Status	Risk Description, (Date Raised) and Current Controls	Mitigating Actions and Progress	Estimated/ Closure Date of Action	Action Owner	Estimated Risk Closure Date	Current Rating			Changes to key indicators: - Residual Rating (Increased ↑ Unchanged ↔ Ratings ↓) - Dates of Last Update and changes to Progress and Rating - Est. cost/income			
		Probability	Impact	Overall							Probability	Impact	Overall				
		SR56			Open	Failure to manage the expectation of the rail industry in relation to cable theft damages stakeholder confidence in BTP (18/02/11)											
Assistant Chief Constable Territorial Policing and Crime	Gill Murray, T/DCI, Territorial Policing	4	3	12		<p>1) Network Rail has agreed to provide a dedicated stream of funding for Cable Theft for 2011-14. BTP has lead responsibility for governing this money.</p> <p>2) The Analysis desk monitors all crime trends including Cable Theft, and their work supports two teleconferences. Hotspot locations identified by the team are the subject of operations to detect or prevent crime by both overt and covert operations, and by the work of crime reduction officers. The work of crime reduction officers also extends to liaising with the rail industry in relation to target hardening and crime reduction, and advising prior to planned improvement works on the rail network. In addition, intelligence gathering has been increased with the formation of the Fusion Intelligence Unit, further supporting the ability to target operations.</p> <p>3) A longstanding operation to address Cable Theft, Operation Leopard is in place, and dedicated teams have been established across the country. They are supported by a number of initiatives and strategies including minimum standards for the investigation of cable theft, a cable theft strategy, a cable theft escalation plan, cable theft communication strategy and forensic strategy.</p> <p>4) BTP is member of a number of national groups in relation to Cable Theft, including the ACPO Metal Theft Working Group (DCC) and the Network Rail Strategy Group (ACC Pacey).</p>	<p>Action 1: Contribute to work to update legislation to provide better regulation of the scrap metal industry. BTP has been fully engaged with the review of legislation covering the scrap metal industry and new legislation is expected to arrive on the Statute books in April 2012. The legislation will prohibit untraceable cash transactions, and require sellers of scrap metal to provide proof of identity.</p> <p>Action 2: To review the adequacy of existing strategies by the end of the financial year 2012/2013</p> <p>Action 3: Update guidance for frontline officers following the introduction of cashless payment systems for scrap metal dealers in November 2012</p>	Complete	T/ DCI Murray								↔
								31-Mar-13	T/ DCI Murray	31-Mar-15	3	2	6	<p>Latest update: 22 August 2012 T/DCI Murray Rating last changed: Not changed</p> <p>To date, 2012 has shown a reduction in metal theft of approximately 50%, both live and non-live. BTP has achieved detection rates of 38% and 23% for live and non-live offences respectively. BTP participated in a national two-day period of action over 14-15 May, which involved 316 officers visiting a total of 123 scrap metal dealerships. This resulted in 5 arrests. The next national day of action will take place on 11 October in line with Operation Mermaid, the Roads Policing Operation. Collaboration with HMRC have also shown progress, as HMRC have agreed to provide a dedicated member of staff to support the work of the Fusion Intelligence Unit (FIU). Work continues with the Environment Agency to develop the intelligence picture across partners and support structured visits across the country. Early negotiations are taking place with Scottish Power who are also keen to integrate with the FIU.</p> <p>Operation Tornado has gathered momentum with only three regions yet to fully engage. The FIU also worked closely with the Olympics Intelligence Team which led to proactive operational activity which assisted in minimising disruption during the Olympic period. With regard to an update on legislation, November 2012 will see the implementation of a cashless system with Scrap Metal Dealers. Work is in progress to produce guidance to support front line officers in this new legislation. Over £4million of the DfT funding to tackle metal theft has been allocated to various partners across the country which encompasses a diverse range of operational activity.</p>			
		SR61			Open	Inability To respond adequately to a Terrorist Attack (Risk Raised 25/07/11)											
Assistant Chief Constable Operations	Phil Trendall, Supt, Counter-Terrorism Support Unit	3	3	9		<p>1) Specialist CT Support Unit.</p> <p>2) CT Strategy, tactics and plans in place and aligned with National policies.</p> <p>3) CT contingency plans in place.</p> <p>4) Business Continuity plans in place.</p> <p>5) Internal Exercise programme for first line supervisors regarding re-emergence of the threat from Irish Republican terrorists, active shooters and specific training and tutorials for FCR(L) Duty Officers.</p> <p>6) Participation in the National CT Exercise Programme.</p>	<p>Action 1: Development of a limited Armed capability The project to develop an armed capability has completed this work and the BTP Firearms Unit commenced operational patrols on 24 February 2012. A full complement of Authorised Firearms Officers has been recruited</p> <p>Action 2: Explore options to change Primary legislation to give BTP the same flexibility with respect to firearms as territorial police forces CTSUs are preparing an evidence pack for DfT which will set out the implications of BTP officers not being authorised to carry firearms in the same way as territorial police forces.</p> <p>Action 3: Establish body of reserve officers The increase in size of the 'core' BTP Firearms unit has negated the need to put in place an 'AFO standing reserve'. Reserve AFOs will continue to be recruited in order to provide core team succession planning and resilience. Currently the Reserve AFOs number 5 (3 PS and 2 PC).</p>	Complete	Supt Trendall								↔
								31-Mar-13	Supt Trendall	31-Mar-13	2	2	4	<p>Latest Update: 08 August 2012 Stephen Goldspink and 11 August 2012 ACC Thomas Ratings last changed: 29 February Stephen Goldspink/Supt Trendall From 3/3(9) to 2/2(4)</p> <p>The risk rating was reduced on consideration of the adequacy of BTP's CTSU response capability. Action 1 - The BTP Firearms Unit commenced operational patrols on 24 February 2012. A full complement of Authorised Firearms Officers has been recruited. There is now an increased core Firearms unit of 50 AFOs (5 PS and 45 PC). Action 2 - CTSU has provided an evidence pack for the DfT for consideration of Primary legislation change. This is currently under deliberation with the DfT and SCT is liaising regularly with DfT to progress this further. Currently there is a process in place to allow BTP licensed firearms to be used which involves individual licensing. Action 3 - The increase in size of the 'core' BTP Firearms unit (See Action 1) has negated the need to put in place an 'AFO standing reserve'. Reserve AFOs will continue to be recruited in order to provide core team succession planning and resilience. Currently the Reserve AFOs number 5 (3 PS and 2 PC).</p>			
								Discharged	Supt Trendall								
		SR62			Open	The planned move toward one police force for Scotland reduces the powers of BTP officers to deliver a police service (Risk Raised 17/11/11)											
Assistant Chief Constable, Scotland	ACC McCall, ACC Scotland	3	3	9		<p>1) Liaison with Scottish Government by ACC and Area Commander.</p> <p>2) Membership of ACPOS by ACC McCall.</p> <p>3) Existing links with Scottish police at local level.</p>	<p>Action 1: Respond to consultation by the Scottish Government on the plan to establish one police force for Scotland ACC McCall has agreed the BTP/BTPA response to the Scottish Government consultation on the impact of the Police and Fire Reform (Scotland) Bill. The response has identified the key risk in relation to powers can be controlled by the application of a S104 Order. The response to the consultation was sent to the Scottish Government on 6 March 2012.</p> <p>Action 2: Ensure appropriate engagement at a Strategic level with the new Scottish Police Service following the disbandment of ACPOS ACPOS will continue to exist up to the formation of the new Scottish Police Service in 2013 and provide an appropriate forum for strategic engagement with Scottish partner police forces. Discussion of the successor arrangements will not be possible prior to the appointment of the Chief Constable for Scotland.</p>	Complete	ACC McCall							↔	
								30-Jun-13	ACC McCall	31-Mar-13	1	3	3	<p>Latest Update: 22 August 2012 ACC McCall Ratings last changed: 6 March 2012 ACC McCall From 3/3(9) to 1/3(3)</p> <p>Risk requested for escalation by Scotland and agreed by FMT 17 November 2011. ACC McCall and BTPA responded to the initial consultation to The Police and Fire Reform (Scotland) Bill and recognised the need for S104 Scotland Act provisions to be invoked as and when provisions within the Bill come into effect. The Bill completed Stage 3 of the Scottish Parliamentary process on 27 June 2012 and is awaiting Royal Assent. The new Police Service of Scotland is expected to come into being on 1 April 2013, with appointments to the positions of Chief Constable and Scottish Police Authority due to be made through Autumn. ACC McCall maintains liaison with ACPOS as new policing structures develop across Scotland. The risk rating remains unchanged.</p>			
		SR64			Open	Uncertainty about the state of public finances over the term of the Medium-Term Financial Plan leads to an inability to deliver service levels as planned within budgetary constraints (Risk Raised 07/02/12)											
Director of Corporate Resources	T/ACC Newton, Director of Corporate Resources	3	2	6		<p>1) Current medium-term financial plan subject to annual update.</p> <p>2) Programme of Finance Group and Strategy Group meetings.</p> <p>3) Horizon scanning of developments within the public sector and rail industry.</p> <p>4) Inclusion of break clauses and termination provisions for all contracts where standard BTP terms and conditions have been used. In addition, these are negotiated into contracts where suppliers terms and conditions are used wherever this is possible.</p>				31-Mar-15	2	2	4	↔			
														<p>Latest Update: 31 August 2012 Simon Hart Ratings last changed: N/A</p> <p>Risk reviewed and identified actions discharged following consideration of the scope of the MTFP together with the inclusion of break clauses and termination points within contracts agreed to BTP's standard terms and conditions. The controls have been updated to better reflect these arrangements. This risk will be reviewed quarterly.</p>			

RISK MATRIX WITH CRITICALITY SCORES (1 - 16) : SCORE = PROBABILITY X IMPACT

PROBABILITY see below	Probable and Imminent (4)	4	8	12	16
	Probable (3)	3	6	9	12
	Possible (2)	2	4	6	8
	Remote (1)	1	2	3	4
		Minor (1)	Moderate (2)	Significant (3)	Major (4)
IMPACT see below					

IMPACT - TABLE FOR BTP CONCERNS IF THE RISK WERE TO HAPPEN

	Safety	Reputation	Performance and Service	Financial
Minor	Minor injury	Minor localised specific Area damage caused by adverse local press coverage	Minimal threat to achieving key objectives; Or slight concerns over service level in a specific Area	Cost of 5% of Dept./ Area / Project budget incurred or loss of funds to that amount
Moderate	Serious injury	Major localised specific Area damage caused by adverse local press coverage	Significant threat to achieving key objectives; Or stakeholders express concern at a specific drop in service level within an Area	Cost of 5-10% of Dept./ Area / Project budget incurred or loss of funds to that amount
Significant	Single fatality	Major short-term damage caused by adverse national press coverage	Failure to achieve a key objective; Or stakeholders write/minute their concern over significant drop in service level in several Areas or Portfolios	Cost of 10-25% of Dept./ Area / Project budget incurred or loss of funds to that amount
Major	Multiple fatalities	Major damage to reputation caused by sustained adverse national press coverage. Possible resignations	Failure to achieve several key objectives; Or formal written notification of grave concern by stakeholders to the Chief Constable	Cost of £5m or more incurred or loss of funds to that amount

PROBABILITY - TABLE FOR THE LIKELIHOOD OF A RISK HAPPENING IN A 36 MONTH PERIOD

Remote	Possible	Probable	Probable and Imminent
Unlikely to happen within 3 years under normal circumstances, or requires a specific and unlikely chain of events to occur to happen	Could happen within 3 years under normal circumstances, or will happen within this timeframe unless specific action is taken to counter it	Is likely to happen within 3 years under normal circumstances, or will happen within a year unless specific action is taken to counter it	Is likely to happen within a year under normal circumstances or will happen within the next six months unless specific action is taken to prevent it