



SCOTTISH
FIRE AND RESCUE SERVICE

Working together for a safer Scotland

Report to: THE BOARD OF THE SCOTTISH FIRE AND RESCUE SERVICE
Report no: B/FCS/07-16
Date: 31 MARCH 2016
Report By: SARAH O'DONNELL, DIRECTOR OF FINANCE & CONTRACTUAL SERVICES

Subject: CAPITAL BUDGET 2016 - 2017

1 PURPOSE

- 1.1 The purpose of this report is to seek approval of the proposed Capital Budget for 2016/17.

2 RECOMMENDATION

- 2.1 The Board is asked to approve the following recommendation(s):
- (a) That the proposed Capital Budget for 2016/17, as set out in paragraph 6 and detailed in Appendix A, be approved,
 - (b) That future capital requirements, as set out in paragraph 7 be noted.

3 BACKGROUND

- 3.1 The Budget (Scotland) (No.5) Bill, passed by the Scottish Parliament on 24 February 2016, sets Capital DEL funding for the Scottish Fire & Rescue Service (SFRS) at £10.800million for 2016/17. This represents a 57% reduction on the funding provided in 2015/16.
- 3.2 The Scottish Government's budget for 2016/17 presents figures for a single financial year. Scottish Parliamentary elections are scheduled to take place on 5 May 2016, after which it is currently anticipated there will be a spending review by the incoming government, setting out plans for the medium term period.

3.3 In addition to Capital DEL budget, significant capital receipts are programmed to be delivered during 2016/17, from the sale of surplus properties under the Property Estate - Strategic Intent programme. These receipts, which had been anticipated in earlier planning, are being reinvested, with permission from the Scottish Government, to develop a fit for purpose support estate for the SFRS.

4 CAPITAL PLANNING CONTEXT

4.1 Typically, the Board has set a rolling 3-year Capital Programme, and it was anticipated in the Budget Strategy, approved by the Board in November 2015, that this would be the case for 2016-2019.

4.2 Previous 3-year programmes have been based on known future funding levels or a projection based on current funding. The funding allocation for 2016/17 represents a significant reduction on previous levels and is not considered to be sustainable beyond the 12-month period.

4.3 Work has also been ongoing to develop a Long Term Financial Strategy (LTFS) for the Scottish Fire & Rescue Service through which the following baseline assessment of the Service's fixed assets has been developed:

Asset Type	Asset Value at 31 March 2015 (£m)	Asset Life (Years)	Investment Backlog (£m)	Annual Spend 2015/16 (£m)	Backlog % of Asset Value	2015/16 Spend as % of Asset Value
Property	431	10-64	68	13.0	16	3
Fleet	50	10-15	45	5.3	90	11
Equipment	11	3-20	9	4.0	82	4
ICT	10	3-10	0	10.6	-	45
TOTAL	502		137	25.9		5

4.4 Through the LTFS, and linking to the new Strategic Plan, it is anticipated that work will be commissioned to review the composition of existing assets, to determine whether it fully meets the needs of a modern fire and rescue service, however any transitioning that may be required would have to take place over a medium to long term period, and would require up-front investment. It is anticipated that the future shape of public sector assets, particularly in rural communities, is likely to involve greater collaboration across organisations, which is welcomed by SFRS. In the meantime, it is necessary for

the Service to continue to invest in the upkeep and replacement of its operational assets to ensure it can maintain effective service delivery to the communities of Scotland.

- 4.5 Within this context, it is considered that the level of uncertainty is too great to present a meaningful 3-year capital programme at this stage. It will be necessary to highlight to the Scottish Government, in the forthcoming spending review, the Service's asset investment requirements, with a view to securing a sustainable position. The single year budget that is presented seeks to deliver a "holding position" with funds directed to the greatest priorities, based on the principles set out in paragraph 5 below.
- 4.6 In developing the single year budget, consideration has been given to the issues highlighted in the Corporate Risk Register, with the highest risks currently being identified in relation to maintaining and improving safety, standardising and aligning resources, continuing to meet statutory obligations, achieving performance targets, achieving financial sustainability and recruiting and retaining staff.
- 4.7 Where appropriate, opportunities to bid for resources from dedicated capital funds will also be explored.

5 BUDGET PRINCIPLES AND CONSIDERATIONS

- 5.1 The following principles and considerations, endorsed by the Strategic Leadership Team, have been taken into account in the development of this proposed capital budget:

5.2 Maintain and Enhance Community and Firefighter Safety

- 5.2.1 The main purpose of the Scottish Fire and Rescue Service, as set out in the Fire and Rescue Framework, is focused on improving the safety and wellbeing of people throughout Scotland. In order to keep our communities safe we must also keep our firefighters safe as they carry out their work.
- 5.2.2 To this end we will continue to invest in our frontline fleet, which is central to our emergency response capability.
- 5.2.3 We will also make significant investment in training facilities, adopting a Scotland-wide approach, to enable our firefighters to develop and maintain the wide range of skills and capabilities required of them in a modern fire and rescue service.
- 5.2.4 The process of standardising our operational equipment and personal protective equipment remains on-going, with the largest investments being in personal protective equipment and fire-ground radios.

5.2.5 Work will continue to deliver a pilot project to evaluate the suitability of using cutting technology within SFRS. This technology has been in operation in other fire and rescue services within the UK and Europe and is considered to have the potential to increase firefighter safety, by reducing exposure to fire in certain circumstances. The detailed business case for this pilot project will be presented to the Board in due course.

5.3 Establish the Infrastructure of the Scottish Fire and Rescue Service

5.3.1 In order to deliver our vision of being a world leading fire and rescue service, it is critical that we establish the enabling infrastructure as quickly as possible. This will have an impact across all asset categories, from implementing the Property Estate – Strategic Intent programme, through to developing consistent and appropriate standards for fire stations, fleet and equipment across Scotland, positioning our resources most effectively to serve our communities, and creating a single digital infrastructure with key supporting data systems.

5.4 Implement Approved Strategies

5.4.1 This Capital Budget will provide resources to progress the changes approved within the Specialist Resources Review, particularly in relation to water rescue, and to continue implementing our Digital Strategy.

5.4.2 In seeking to progress our Environmental Strategy, we will build environmental considerations into our property investment, and will continue to seek opportunities to work collaboratively with partner organisations to deliver on our environmental obligations.

6 PROPOSED CAPITAL BUDGET

6.1 The proposed capital budget, which takes account of these principles and considerations, is detailed in Appendix A.

6.2 Total proposed expenditure for 2016/17 is **£20.800million**, funded by Capital DEL budget of £10.800million, plus estimated capital receipts from Strategic Intent and other disposals of £10.000million.

6.3 Proposed expenditure of **£9.450million on Property – Major Works** is to progress the Strategic Intent programme, to complete the redevelopment of Stornoway Fire Station and to develop a strategic approach to training facilities in the East of Scotland, enabling the consolidation of legacy facilities.

- 6.4 Proposed expenditure of **£2.750million on Property – Minor Works** will be primarily targeted to elemental upgrades to address aspects of condition. This investment will enable the Property team to undertake around 80 minor projects, targeted according to the condition of the various elements of the building, as defined within industry standards, as follows:
- A: Good – performing and operating efficiently,
 - B: Satisfactory – performing adequately but showing signs of minor deterioration,
 - C: Poor – showing major problems and/or not operating adequately,
 - D: Bad – life expired or serious risk of imminent failure or major element of whole.
- 6.5 In considering the suitability of the investment the following criteria will be applied based on the current condition:
- A – investment only in specific exceptional circumstances,
 - B – investment to maintain at this level,
 - C – investment to target achievement of level B,
 - D – consider the value of the investment relative to replacement cost.
- 6.6 Proposed investment of **£2.346million on the Vehicle Fleet** will enable investment in the specialist high reach appliances where a significant proportion are well in excess of their intended replacement date and are placing a considerable burden on the resource budget to maintain. Further expenditure will enable progress on the Specialist Resources Review in relation to water rescue, as well as enabling the cold cutting pilot project.
- 6.7 In **ICT & Communications** the proposed investment of **£2.900million** will fund the continuation of the Command & Control project to enable the rationalisation of our emergency control rooms from 8 to 3 and prepare for the implementation of a single modern command and control system. Further progress will also be made on implementing the Digital Strategy, which aims to enable our people to have access to the right information on the right device at the right time.
- 6.8 Finally, the proposed investment of **£1.750million in Operational Equipment** will enable the on-going rationalisation and standardisation of equipment, with a focus on fire-ground radios and personal protective equipment.

7 FUTURE CAPITAL REQUIREMENTS

- 7.1 As outlined at paragraph 4 above, the current level of capital funding is not considered to be sustainable beyond the forthcoming 12-month period.
- 7.2 Specific forward commitments will be made in relation to training facilities and the command and control system which are estimated at c.£8million, as well as the regular ongoing pipeline process for property minor works.

- 7.3 In addition to these specific commitments, as highlighted above there is an urgent need to invest in an aging infrastructure to ensure continued service delivery.

8 BUDGET RISKS

- 8.1 Appendix B sets out the specific risks that have been identified in relation to delivering the Capital Programme during 2016/17. These have been scored, using the same methodology as the Corporate Risk Register, and mitigating actions have been identified.

9 EMPLOYEE IMPLICATIONS

- 9.1 There are no employee implications directly associated with this report.
- 9.2 It is recognised that there are significant employee implications in relation to the Strategic Intent programme and these are being addressed as part of the project.

10 FINANCIAL IMPLICATIONS

- 10.1 The financial implications are outlined within the report.

11 LEGAL IMPLICATIONS

- 11.1 Appendix A details the anticipated existing contractual commitments at 1 April 2016.

12 EQUALITY IMPACT ASSESSMENT AND CONSULTATION ARRANGEMENTS

- 12.1 An impact assessment has been carried out as part of the budget setting process which indicates that the relationship between the Capital Budget and the general equality duty is largely indirect due to the high level nature of the budget setting process. The impact assessment highlights that the more detailed expenditure against the budget in relation to individual policies and initiatives will have more direct relevance to both the general equality duty and the protected characteristics and where deemed relevant should be subject to their own impact assessment. For example, the refurbishment of facilities would be relation on the grounds of preventing unlawful discrimination and promoting equality of opportunity with particular significance for age, disability, sex, pregnancy & maternity and gender reassignment. Overall, the Capital Budget does not present any obvious barriers for continuing to make a positive contribution on the grounds of equality.
- 12.2 The proposed Capital Budget has been prepared by staff within Finance, Asset Management and ICT in conjunction with the Strategic Leadership Team and their respective teams.
- 12.3 Capital budget proposals have been shared with representative bodies.

13 CORE BRIEF

- 13.1 The Director of Finance and Contractual Services advised the Board of the proposed Capital Budget for 2016/17. Total proposed expenditure is £20.800million, funded by Capital DEL budget of £10.800million, plus estimated capital receipts from Strategic Intent and other disposals of £10.000million. The Board were asked to note future capital requirements.

**Alasdair Hay
Chief Officer**

31 March 2016

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2016/17

SUMMARY

£000

Category	Estimated Total Net Cost	Funded in Previous Years	Future Funding Required	Spend Profile		% of total Programme
				2016/17		
				LC	NYLC	
Property - Major Works	17,455	4,625	3,380	4,330	5,120	26.77%
Property - Minor Works	8,514	-	5,764	2,000	750	13.06%
Fleet	9,145	-	5,195	2,777	1,173	14.02%
ICT	10,815	2,326	5,589	214	2,686	16.58%
Operational Equipment	19,281	4,800	12,731	150	1,600	29.57%
Sub-total				9,471	11,329	100.00%
TOTAL (LC+NYLC)	65,210	11,751	32,659		20,800	

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2016/17

PROPERTY - MAJOR WORKS

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Future Funding Required	Spend Profile	
				2016/17	
				LC	NYLC
Stornoway Fire Station Redevelopment	2,500	1,010	-	1,490	-
East Training Facility	5,000	-	3,000		2,000
Aberdeen City Local Senior Officer Accommodation	920	400	-	520	-
Dundee Control	2,680	160	-	-	2,520
North Anderson Drive Fire Station Training Facilities	1,000	20	380	-	600
North East Asset Resource Centre	4,335	2,635	-	1,700	-
North Service Delivery Headquarters	1,020	400	-	620	-
Sub-total				4,330	5,120
TOTAL (LC+NYLC)	17,455	4,625	3,380		9,450

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2016/17

PROPERTY - MINOR WORKS

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Future Funding Required	Spend Profile	
				2016/17	
				LC	NYLC
Minor Works - Condition (Elemental Upgrades)	8,514	-	5,764	2,000	750
Sub-total				2,000	750
TOTAL (LC+NYLC)	8,514	-	5,764		2,750

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2016/17

FLEET

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Future Funding Required	Spend Profile	
				2016/17	
				LC	NYLC
High Reach Appliances	7,670	-	4,420	2,750	500
Water Rescue Vehicles	1,265	-	775		490
Cutting Technology Pilot Project	210	-	-	27	183
Sub-total				2,777	1,173
TOTAL (LC+NYLC)	9,145	-	5,195		2,346

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2016/17

ICT

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Future Funding Required	Spend Profile	
				2016/17	
				LC	NYLC
PC's, laptops, peripherals	200	-	100		100
Server Infrastructure	300	-	200		100
Local Area Network Infrastructure	400	-	200		200
Wide Area Network Infrastructure	400	-	250		150
Operational Mobilisation	650	-	400		250
Data Centre/Disaster Recovery	200	-	100		100
Telephony	300	-	150		150
Software Infrastructure	369	-	219		150
Operational Intelligence Devices (MDT's)	300	-	100		200
Strategic Intent Projects	300	-	100		200
Command & Control Project	7,396	2,326	3,770	214	1,086
Sub-total				214	2,686
TOTAL (LC+NYLC)	10,815	2,326	5,589		2,900

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2016/17

OPERATIONAL EQUIPMENT

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Future Funding Required	Spend Profile	
				2016/17	
				LC	NYLC
Breathing Apparatus	5,000	4,800	50	150	-
Ladders	648	-	548		100
Air Bags	45	-	30		15
Portable Pumps	180	-	150		30
Water Rescue Equipment	720	-	600		120
Safe Working at Heights Equipment	320	-	220		100
Hydraulic Cutting Gear	1,170	-	1,020		150
Heavy Rescue Equipment	200	-	100		100
Nominal Roll Boards	50	-	-		50
Defibrillators	100	-	93		7
Rope Rescue Equipment	40	-	20		20
Casualty Drag Mats	8	-	-		8
Fireground Radios	900	-	650		250
PPE	9,900	-	9,250		650
Sub-total				150	1,600
TOTAL (LC+NYLC)	19,281	4,800	12,731		1,750

Risk Ref. No.	Link to Corporate Risk Register	Date Identified	Risk Appetite Category	Risk Description	Consequence of Risk	Control Measures In Place	Risk Assessment			Previous Risk Rating	Risk Appetite	Risk Movement	Risk Owner
							Probability	Impact	Risk Rating		Impact Assessment		
Capital 1	CR7 - There is a risk to SFRS if it fails to secure Financial Sustainability.	31 March 2016	Financial	There is a risk to SFRS where future capital funding falls below basic requirements	Assets are extended beyond economic life to meet service delivery need. Lack of investment leads to additional maintenance costs in resource budget	Long term Financial Strategy highlights the importance of maintaining asset base to deliver service. Contribute to future Government spending reviews to secure adequate funding.	4	5	20		3	→	Sarah O'Donnell
Capital 2	CR7 - There is a risk to SFRS if it fails to secure Financial Sustainability.	31 March 2016	Financial	Buoyant market results in higher than anticipated prices	Reduction in asset investment available to meet overall funding levels.	Monthly Capital Monitoring meetings to manage project delivery and funding. Capital Monitoring reports to SLT and Board	4	4	16		3	→	Sarah O'Donnell
Capital 3	CR7 - There is a risk to SFRS if it fails to secure Financial Sustainability.	31 March 2016	Operational	There is a risk to SFRS where external factors prevent sale of key properties	Assets disposals are delayed which results in funding deficit or delay in future investment programmes	Monthly Capital Monitoring meetings to manage project delivery and funding Capital Monitoring reports to SLT and Board	4	4	16		5	→	Sarah O'Donnell
Capital 4	CR7 - There is a risk to SFRS if it fails to secure Financial Sustainability.	31 March 2016	Operational	There is a risk to SFRS where a delay in agreeing and authorising specifications and scope of works is experienced	Delay in procurement of works, goods or service, leads to late delivery of project(s)	Monthly Capital Monitoring meetings to manage project delivery and funding Capital Monitoring reports to SLT and Board	3	4	12		5	→	Sarah O'Donnell
Capital 5	CR7 - There is a risk to SFRS if it fails to secure Financial Sustainability.	31 March 2016	Financial	There is a risk to SFRS where insufficient procurement resources are available to meet Service requirements	Capital programme delayed or use of frameworks which may not deliver best value	Workplans agreed with Procurement team based on agreed capital programme. Procurement update at monthly capital monitoring meetings	3	4	12		3	→	Sarah O'Donnell
Capital 6	CR7 - There is a risk to SFRS if it fails to secure Financial Sustainability.	31 March 2016	Financial	There is a risk to SFRS where unplanned asset failure results in resources having to be diverted	Assets are reallocated based on Service need	Strategic reserve of assets Asset rotation to better utilise assets Stockholding of spare parts for key assets	3	3	9		3	→	Sarah O'Donnell
Capital 7	CR7 - There is a risk to SFRS if it fails to secure Financial Sustainability.	31 March 2016	Financial	There is a risk to SFRS where capital receipts are lower than anticipated	Assets developed or purchased are delayed or removed from capital programme to be funded in future. Increases pressure on resource budget.	Work has already been done to de-risk sites and apply for relevant planning permission where appropriate. Monthly Capital Monitoring meetings to manage project delivery and funding Capital Monitoring reports to SLT and Board	2	4	8		3	→	Sarah O'Donnell
Capital 8	CR7 - There is a risk to SFRS if it fails to secure Financial Sustainability.	31 March 2016	Financial	There is a risk to SFRS where insufficient resources are available to deliver project requirements	Delays in project delivery and benefits realisation	Monthly Capital Monitoring meetings to manage project delivery and funding Capital Monitoring reports to SLT and Board	2	4	8		3	→	Sarah O'Donnell
Capital 9	CR7 - There is a risk to SFRS if it fails to secure Financial Sustainability.	31 March 2016	Legal / Regulatory	There is a risk to SFRS where delays in planning consents are experienced	Assets developed or purchased are delayed or removed from capital programme to be funded in future. Increases pressure on resource budget.	Monthly Capital Monitoring meetings to manage project delivery and funding Accelerate other projects or programmes of work to compensate Capital Monitoring reports to SLT and Board	2	3	6		3	→	Sarah O'Donnell
Capital 10	CR7 - There is a risk to SFRS if it fails to secure Financial Sustainability.	31 March 2016	Operational	There is a risk to SFRS where construction delays caused by extreme weather are experienced	Assets developed or purchased are delayed or removed from capital programme to be funded in future. Increases pressure on resource budget.	Monthly Capital Monitoring meetings to manage project delivery and funding Accelerate other projects or programmes of work to compensate Capital Monitoring reports to SLT and Board	2	3	6		5	→	Sarah O'Donnell



RISK APPETITE					
Impact	Political	Operational	Financial	Legal & Regulatory Compliance	Reputational/Stakeholder Confidence
Averse	Minimal tolerance for taking any decisions or actions that could result in increased parliamentary scrutiny or criticism of the Service	Defensive approach - aim to maintain or protect existing ways of working, rather than to create or innovate. Priority for tight management controls and oversight with limited devolved decision making authority. Resources withdrawn for all non-essential activities. General avoidance of system/technology developments	The key objective is to operate in line with the agreed budget profile. Only willing to accept the low cost option	Avoid anything which could be challenged, even unsuccessfully	Minimal tolerance for any decisions that could lead to increased scrutiny or criticism of the Service
Minimalist	Only tolerant of making decisions that contradict or challenge national or local governments where there is no chance of significant repercussions for the Service	Innovations are always avoided unless essential. Decision making authority held by the SLT. Resources allocated to core business. Only essential systems/technology developments	Only prepared to accept the potential for very limited variance in budget lines. Minimising cost is the primary concern	Want to be very sure the Service would win any challenge	Only tolerant of risk taking where there is no chance of significant repercussions for the Service
Cautious	Only tolerant of making statements or taking decisions that impact on the political arena where the Service has the support of key political stakeholders	Tendency to stick to the status quo. Innovations generally avoided unless necessary. Decision making authority generally held by SLT. Resources are generally allocated to core business. Systems/technology developments limited to those which are essential, unless low risk	Prepared to accept the potential for some variance in budget lines and the potential for some minor underspend/overspend. Value for money is the primary concern, with an emphasis on quality as well as price	Limited tolerance for sticking our neck out. Want to be reasonably sure the Service would win any challenge.	Only tolerant of risk taking where there is limited chance of significant repercussions for the Service
Open	Appetite to take decisions which may expose the Service to additional parliamentary or political scrutiny, but only where appropriate steps have been taken to minimise any exposure	Innovation supported as long as there is a commensurate improvement in management control. Responsibility for non-critical decisions may be devolved. Resources are allocated to capitalise on potential opportunities, not just to deliver our current practises. Systems/technology developments considered where these will enable delivery.	Prepared to take some financial risk by investing in new projects or activities (recognising that this could result in overspend / underspend) as long as appropriate controls are in place. In assessing value for money, quality considerations are weighted more than price	Challenge will be problematic but the Service is likely to win it. The gain will outweigh the adverse consequences.	Appetite to take any decisions which may expose the Service to additional scrutiny, but only where appropriate steps have been taken to minimise any exposure
Hungry	Appetite to take decisions which are likely to expose the Service to additional political, media and parliamentary scrutiny where the potential benefits to the Service outweigh the risks	Innovation pursued, desire to break the mould and challenge working practices. High levels of devolved authority, management by trust rather than tight control. Resources are allocated to areas of work where there are guarantees of success - investment capital type approach. New technologies viewed as a key enabler of operational delivery.	Prepared to take financial risks by investing for the best possible reward, accepting that this brings the possibility of underspend/overspend.	Chances of losing are high and consequences serious. But a win would be seen as a great coup.	Appetite to take decisions which are likely to expose the Service to additional scrutiny, if the potential benefits outweigh the risks

(Red highlighted Section indicates the risk appetite level determined by the Board and SLT)

RISK ASSESSMENT					
Impact	Political	Operational	Financial	Legal & Regulatory Compliance	Reputational/Stakeholder Confidence
1	Effective Strategic Decision making, full engagement by Board and SLT and meeting in full the expectation of Scottish Government and Local Communities	No negative impact on our ability to deliver the service.	no impact on our ability to deliver a balanced budget	no adverse reputational damage to the service	Rumours, with potential for local public/political concern
2	Minor reduction in Board engagement, minimal impact upon achievement of strategic objectives and no adverse comment from SG	There will be a very minimal impact on our ability to deliver the service.	our ability to deliver a balanced budget will be realised with minimal adjustments	Potential unexpected external scrutiny of our activities due to non compliance. Some adverse media attention received.	Some negative Local press interest or Local public/political concern.
3	Question raised over effectiveness of strategic decision making, noticeable impact upon service delivery, criticism by external bodies, partners and SG	There will be a reduction in the ability for us to deliver our services and there may be minor service disruption.	action required to ensure delivery of a balanced budget. Potential adverse impact on service delivery.	Prolonged adverse media attention. Criticism of our service as a result of scrutiny by external bodies. Potential legal action.	Limited damage to reputation. Extended negative local press interest. Some regional public/political concern.
4	Ineffective Board engagement, challenge over strategic decision making of SFRS, failure to deliver against agreed priorities and SG criticism and threat of intervention	Service disruption for an extended period. Major consequences.	insufficient finances available to support service delivery	Ineffective governance arrangements identified resulting in Government intervention in the management of the service.	Loss of credibility and confidence in the service. National negative press interest. Significant public/political concern.

5	Failure to deliver against SG priorities, failure of Board and SLT to engage, intervention by SG and external monitoring bodies	Failure to deliver our services	failure to live within our means	failure of the service	Full Public Inquiry. International negative press interest. Major public/political concern.
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Probability

5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5

IMPACT

Criteria for Evaluating Risk			
Probability	Description	Numerical Value	Plain English
1	Very Low – Where an occurrence is improbable or very unlikely	1 in 20,000	Never happened and doubt it will
2	Low - Where an occurrence is possible but the balance of probability is against	1 in 2,000	Has happened before but unlikely
3	Medium- where it is likely or probable that an incident will occur	1 in 200	Will probably happen at some point in the future
4	High- where it is highly probable that an incident will occur	1 in 20	Has happened in recent past and will probably happen again
5	Very High- where it is certain that an event will occur	1 in 2	It's already happening and will continue to do so

