

Appendix B: Above Tolerance Operational Risks

Service	Ref	Risk Description (vulnerability)	Current Controls	Impact	Likelihood	Further Mitigation Plans	Date
Assets	AS6	Delivery of Repairs, Maintenance, Compliance and FM in Public Buildings	1. Close management of the contract. Monthly meetings in place. 2. Ongoing dialogue between Alliance and DCC/ Vertas. Verbal understanding service will continue until 31.03.20 as a minimum. 2. Actively looking at other delivery options - Norse project.	5	2	1. Gain approval for the Norse JV. 2. Mobilise and agree project milestones to deliver.	1. 01-11-21 2. Ongoing
	AS8	Compliance or H&S Failure in HRA (NB: Assume disrepair claims are within Housing Repairs or Neighbourhoods ORR)	1. Contract management in place to ensure compliance aspects are undertaken. 2. New system of prioritisation in place with Repairs and Neighbourhoods Teams for area of urgent escalation. 3. Data held within Keystone System. 4. Asbestos Action Group formed to work through actions relating to asbestos management. 5. New system of classifying potentially dangerous failures.	5	2	1. Potential discussions with Norse Group ongoing - potential to include delivery of HRA compliance activities. (Invest in management and systems to ensure effective delivery) 2. Tender of Asbestos contract complete. Mobilisation underway. Examine options for recording data outside of Tersus. 3. New HMS options	1. 01 April 21. 2. 01.01.22 3. 01.4.22
	AS11	Significant financial and human resource implications to meet net zero carbon emissions by 2030 target	Targets are still some distance in the future with an evolving picture. Input into the corporate carbon reduction plan. Further work on database and stock condition required to refocus on climate	3	4	1. Central focus in AM policy and strategy work. 2. Strategic approach required for AMP and Climate change action plan. 3. Commission Energy Audits of key public buildings to assist revised	1. 1.4. 2022 2. 1April 22 3. Dec 2021. 4. March 22.

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		date.	change in a revised AMP. All capital projects are to review the "green options" before implementation.			AMP. 4. Started EFG project and developing retrofit options within the HRA, utilising LAD 2 funding.	
Democratic	DC1	Breach of equality regulations	<ol style="list-style-type: none"> 1. Equality impact assessments undertaken 2. Equalities policy in place 3. Equality impact has been written into the new project methodology currently being introduced. 4. Staff training programme delivered. 5. Monitor completion and quality of EIAs through the Mod Gov. system. EIA has been revised in Modern Gov Mar 2019. 	4	3	Training for managers on Equality Impact Assessment and associated use of the Mod Gov report writing function.	Q3 2021
Service Commission	SC1	Failure to deliver waste and recycling collection services to domestic properties and businesses	<ol style="list-style-type: none"> 1. Shareholding and Commissioning Board meeting structure in place 2. Quarterly financial meetings held to flag up financial challenges. 3. Monthly Client meetings undertaken to monitor service delivery and performance. 4. Employees categorised as key workers. 5. Contractor Business Continuity Plan in place and reviewed regularly 	4	3	<ol style="list-style-type: none"> 1. Would bring service back in house, vehicles primarily owned by the Alliance, would spot hire any required in short term if risk materialised. 2. Continuation of current controls. 3. Social distancing controls instigated by contractor, crews changes kept to minimum, crews travelling in separate vehicles, higher cleanliness measures, twice weekly testing available to all staff (key workers). 4. 	Ongoing

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						Staff from streets and parks (non-priority) trained to be able to undertake and support waste collections. 5. Contractors contingency arrangements have been tested in recent months and in place should they be required again.	
	SC3	Leisure Centre service provision failure	1. Pre contract award supplier checks 2. Commissioning Board structure now in place to monitor contractor performance - two meetings per annum. 3. Contractor is invited to attend Scrutiny Committees at both councils annually to be challenged on performance issues. 4. Monthly client meetings to review operations 4. Use of large operator 5. Quarterly financial statements from contractor/s. 5. Financial support package provided by the Alliance to the supplier during covid pandemic due to loss of income.	4	3	1. Monthly client meetings to monitor performance 2. Commissioning Board structure in place to monitor contractor performance alongside attendance at Scrutiny Committees at both councils annually 3. Regular dialogue with supplier due to enforced gov't closure an reopening plans 4. Financial support package to be given by Councils, new legal agreement developed to document roles and responsibilities 6. Consultancy support obtained via Sport England to help determine impact of operator failure on Councils in regards to liabilities and risk. 7. Consultancy support being sourced to review long term delivery model of	Ongoing

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						operations. 8. Government funding awarded in Feb 2021 to help offset financial impact due to covid on recovery of facilities post pandemic.	
Env Health	Env 2	Major incident (requiring Environmental Health response/input)	<p>1.Cross working, multi/minor skilled staff.</p> <p>2. Emergency Plan in place and tested.</p> <p>3.Remote system access</p> <p>4.Good working relationship with other LA's /Agencies.</p> <p>5.Good communication network</p> <p>6.Liaison with high risk premises on contingency plans</p> <p>7. More control over officers and teams in new structure- can be deployed to specific areas more effectively.</p>	3	4	<p>1.Focus on personal development and additional training for existing staff to retain existing talent (PEP process)</p> <p>2. Due to COVID 19- all food/internal inspections were suspended until July 2020, however this is now fully operational and we are visiting premises where business allows. Covid-19 has impacted on Environmental Health and Licensing functions, additional workload for Track and Trace and Business Outbreaks and Support, Burnout of staff is a concern as officers work long hours to accommodate track and trace</p> <p>3. A service review is underway to ensure we have enough FTE to achieve the minimum statutory requirements.</p>	<p>1.Ongoing</p> <p>2. Q3 2021-22</p> <p>3. Q3 2021-22</p>

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Finance	FP1	Risk to income stream/budgetary overspend	<ol style="list-style-type: none"> Budget monitoring Efficiency programme Consider latest intelligence for budget reviews Contingency reserve in place 	4	4	<ol style="list-style-type: none"> Ensure there is a provision in the General Fund on an annual review basis. Monitor budget position and target specific areas quarterly throughout the year- the large income losses experienced in 2020/21 as a result of COVID (C Tax, B Rates, Fees & Charges) have been partly mitigated by Government funding in the form of Income Loss (F&C) Compensation Grant (which extends into Q1 2021/22) and Collection Fund compensation grants. The Covid Reserves which were drawn on to balance non funded losses will be replenished at outturn. Assumed Covid impacts, incorporated into current MTFP, will be updated in the next iteration of the Plan. Resourcing of efficiency and transformation process via the Transformation Board monthly update monitoring. 	Ongoing continual process
	FP2	Pension Liability risk to budget	<ol style="list-style-type: none"> Monitoring of pension liability. Careful consideration of pension cost 	4	3	<ol style="list-style-type: none"> Flag up potential long term risks and manage carefully as part of the 	<ol style="list-style-type: none"> Ongoing Ongoing

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			implications when awarding contracts (externalisation of services). 3. Base budgets on latest intelligence. 4. Manage pressure through the Financial Planning process. 5. Close liaison with pensions authority 6. Careful workforce planning including consideration of potential pension fund consequences of future outsourcing arrangements			medium term financial planning process. A recession has been forecast which may impact pension returns and the workforce may be affected following income reductions etc. 2.The 2019 LGPS triennial valuation outcomes (which showed a marked improvement on the 2016 valuation) have been incorporated into the updated MTFP in Feb 2021. The next revaluation will take place in 2022. Currently in check with latest valuation results, but subject to deterioration in line with changes in external factors - Any impacts of Covid will feature at this point (although current actuarial expectation is for minimal impact in long term)	
	FP3	Treasury Management failure (General)	1. Professional training of staff 2. Professional advice and support 3. Careful control of lending list including investment limits on institutions through formally adopted Treasury	5	2	1. Carry out regular credit checks and react to latest developments in treasury management risk. Incorporate into the annual Treasury Management Strategy - reported to Full	Ongoing continual process

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			<p>Management strategy.</p> <p>4. Full compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management</p>			<p>Council each February</p> <p>2. Keep under review: the post COVID economy may impact banks (no evidence to suggest this yet) . The lending criteria we have in place should flag up early risk signs. Regular monitoring controls sufficient to keep within acceptable limits.</p> <p>3. Ensure due consideration is given to risks associated with specific types of investment, such as in extractive industries</p>	