

## Appendix B: Above Tolerance Operational Risks

Service	Ref	Risk Description (vulnerability)	Current Controls	Further Mitigation Plans
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 31.03.22 as a minimum. 2. Actively looking at other delivery options - Norse project..	1. C&C to transfer to Norse from 01.04.22 as Phase 1 of the project. 2. Mobilising the R&M service as part of phase 2 project due to go live 04.07.22.
	AS8	Compliance or H&S Failure in HRA	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. 6. Norse will deliver the operations of Compliance and H&S activities from 4th July 2022 - project gearing up to include improvements to be managed through KPIs.	1. Phase 2 mobilisation of Norse project due to go live 04.07.22. This will include the investment into "connect" a new system to record and manage compliance activities across the HRA along with reactive repairs. 2. Compliance activities have been detailed in services spec and within the agreed KPIs to manage the delivery of the service. Detailed mobilisation plans are being worked on.
	AS11	Sustainability of the Assets Green agenda and CO2 net zero by 2030	Input into the corporate carbon reduction plan. Further work on database and stock condition required to refocus on climate change in a revised AMP. All capital projects are to review the "green options" before implementation.	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 AMP. 4. Started EFG project and developing retrofit options within the HRA, utilising LAD 2 funding. 5. Interrogation of energy audits against stock condition to develop new investment programme.
	AS15	Increase in cost of materials, sub-contractors and supply.	Some contracts are still in place with pricing based on original agreements. As contracts come to an end, prices are significantly increasing. Contracts are being reviewed on individual merits and alternative procurement options are being reviewed, however priced and suppliers across the board are being effected.	1. Following phase 2 of Norse project, ongoing review through KPIs of VFM and cost implications of service. Seek alternative delivery methods for capital programme and repairs if possible. Seek out alternative suppliers where possible. 2. Apply inflationary increases to likely costs of the AMP in the MTFP to ensure that significant increases in costs are captured. 3. Review AMP and HRA business Plan refresh to capture significant levels of cost inflation.
Democratic	DC1	Breach of equality regulations  Impact – 4	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	Revised equality objectives (using the LGA Equality Framework) approved at March/April Cabinet/Executive. These will be built into Service Plans for 2022/23. First meeting of new Officer group to meet 11 May to drive

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		Like - 3	through the Mod Gov. system. EIA has been revised in Modern Gov Mar 2019	improvements.
Service Commission	SC1	Failure to deliver waste and recycling collection services to domestic properties and businesses  Impact – 4 Like - 3	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	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. 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  Impact – 4 Like - 3	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.	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. Financial support package given by Councils 4. Consultancy support obtained via Sport England to help determine impact of operator failure on Councils in regards to liabilities and risk. 5. Consultancy support being sourced to review long term delivery model of operations. 6. Government funding awarded in Feb 2021 to help offset financial impact due to covid on recovery of facilities post pandemic.
Development Services	PL2	Ability to deliver adequate Arboreal Services across the Alliance  Impact – 3 Like - 5	1. Staff prioritise on a case by case basis 2. Monitor impact of Ash dieback on workloads 3. Recruitment process in place following resignation of staff member	1. Regular monitoring of workload 2. Recruit to vacant post as soon as possible
Env Health	Env 2	Major incident (requiring	1. Cross working, multi/minor skilled staff. 2. Emergency Plan in place and tested.	1. Focus on personal development and additional training for existing staff to retain existing talent (PEP process)

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		Environmental Health response/input)  Impact – 3 Like - 4	3.Remote system access 4.Good working relationship with other LA's /Agencies. 5.Good communication network 6.Liaison with high risk premises on contingency plans 7. More control over officers and teams in new structure- can be deployed to specific areas more effectively.	2. Due to COVID 19- some backlog of inspections, Covid-19 has impacted on Environmental Health and Licensing functions, additional workload. 3. A service review is underway to ensure we have enough FTE to achieve the minimum statutory requirements. Service review still in progress (April 22). Training ongoing for Animal Welfare however this will take at least 18mths to obtain competency. 4) Support is needed for the Ukrainian housing inspections.
Finance	FP1	Risk to income stream/budget overspend  Impact – 4 Like - 4	1. Budget monitoring 2. Efficiency programme 3. Consider latest intelligence for budget reviews 4.Contingency reserve in place	1. Ensure there is a provision in the General Fund on an annual review basis. 2. Monitor budget position and target specific areas quarterly throughout the year- the budget assumption in 22/23 is that income levels have recovered to pre Covid position. The Covid Reserves built up over the last 2 years remain in place (£xx SM / £xx HP). Impact of cost of living crisis on service income streams to be monitored and built into future MTFP assumptions at update. 3. Resourcing of efficiency and transformation process via the Transformation Board monthly update monitoring.
	FP2	Pension Liability risk to budget  Impact – 4 Like - 3	1. Monitoring of pension liability 2. Careful consideration of pension cost 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 and actuary 6. Careful workforce planning including consideration of potential pension fund consequences of future outsourcing arrangements	1. Flag up potential long term risks and manage carefully as part of the medium term financial planning process. Wage inflation borne out of cost of living crisis will impact future pension liabilities and Fund investment returns; and likely lead to an increase in Employer contributions. 2.The 2022 LGPS triennial valuation outcomes (which will become known in Q3 2022/23) will be incorporated in MTFP revision (Feb 23).
	FP3	Treasury Management failure (General)  Impact – 5 Like - 2	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 Management strategy. 4. Full compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management	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 Council each February 2. Keep under review: the post COVID / high inflation economy may impact banks . The lending criteria we have in place should flag up early risk signs. Regular monitoring

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				controls sufficient to keep within acceptable limits. 3. Ensure due consideration is given to risks associated with specific types of investment, such as in extractive industries