

## Appendix B: Above Tolerance Operational Risks

Service	Ref	Risk Description (vulnerability)	Current Controls	Further Mitigation Plans
Assets  Impact – 5 Likelihood – 2	AS1 (was AS6)	Delivery of Repairs, Maintenance, Compliance and FM in Public Buildings	<ol style="list-style-type: none"> <li>1. Close management of the Norse Service agreement through monitoring of KPIs.</li> <li>2. Working collaborate with ANL to develop improvement plans for the priority areas of the service.</li> </ol>	<ol style="list-style-type: none"> <li>1. Ongoing monthly operational meetings to review KPIs and improvement plans.</li> <li>2. ANL to develop annual business plans in line with service delivery plans.</li> <li>3. Monthly Finance meetings to review budget position.</li> <li>4. Improvement plans for key areas to be formalised: data behind KPI's requested from ANL.</li> </ol>
	AS2 (old AS8)	Compliance or H&S Failure in HRA	<ol style="list-style-type: none"> <li>1. Contract management in place to ensure compliance aspects are undertaken.</li> <li>2. New system of prioritisation in place with Repairs and Neighbourhoods Teams for area of urgent escalation.</li> <li>3. Data held within Keystone System.</li> <li>4. Asbestos Action Group formed to work through actions relating to asbestos management.</li> <li>5. New system of classifying potentially dangerous failures.</li> <li>6. Norse will deliver the operations of Compliance and H&amp;S activities from 4th July 2022 - project gearing up to include improvements to be managed through KPIs</li> </ol>	<ol style="list-style-type: none"> <li>1. Norse project now live since July 22. This will include the investment into "Connect". Further discussions required as to suitable systems to hold compliance data. Keystone will continue to be utilised until a suitable solution can be agreed with Norse. Keystone unlikely to continue past yr. end 23/24, requested full access to ANL Connect system.</li> <li>2. Compliance activities have been detailed in services spec and within the agreed KPIs to manage the delivery of the service.</li> <li>3. Improvement plans to ensure the focus on delivery and transparency of reporting compliance activities.</li> </ol>
	AS3 (was 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.	<ol style="list-style-type: none"> <li>1. Central focus in AM policy and strategy work.</li> <li>2. Strategic approach required for AMP and Climate change action plan.</li> <li>3. Commission Energy Audits of key public buildings to assist revised AMP.</li> <li>4. Interrogation of energy audits against stock condition to develop new investment programme.</li> <li>5. Discussions with Norse about levels of support for decarbonising initiatives.</li> </ol>
	AS4 (was 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 affected.	<ol style="list-style-type: none"> <li>1. Revisions of capital programme following strategic options.</li> <li>2. Apply inflationary increases to likely costs of the AMP in the MTFP to ensure that significant increases in costs are captured.</li> <li>3. Review AMP and HRA business Plan refresh to capture</li> </ol>

Service	Ref	Risk Description (vulnerability)	Current Controls	Further Mitigation Plans
				significant levels of cost inflation.
Service Commission  Impact – 4 Likelihood – 3	SC1	Failure to deliver waste and recycling collection services to domestic properties and businesses.	<ol style="list-style-type: none"> <li>1. Shareholding and Commissioning Board meeting structure in place</li> <li>2. Quarterly financial meetings held to flag up financial challenges.</li> <li>3. Monthly Client meetings undertaken to monitor service delivery and performance.</li> <li>4. Employees categorised as key workers.</li> <li>5. Contractor Business Continuity Plan in place and reviewed regularly</li> </ol>	<ol style="list-style-type: none"> <li>1. Would bring service back in house, vehicles primarily owned by the Alliance, would spot hire any required in short term if risk materialised.</li> <li>2. Continuation of current controls.</li> <li>3. Social distancing controls instigated by contractor, crew's changes kept to minimum, crews travelling in separate vehicles, higher cleanliness measures, twice weekly testing available to all staff (key workers).</li> <li>4. Staff from streets and parks (non-priority) trained to be able to undertake and support waste collections.</li> <li>5. Contractor's contingency arrangements have been tested in recent months and in place should they be required again.</li> </ol>
Impact – 4 Likelihood - 3	SC3	Leisure Centre service provision failure	<ol style="list-style-type: none"> <li>1. Pre contract award supplier checks</li> <li>2. Commissioning Board structure now in place to monitor contractor performance - two meetings per annum.</li> <li>3. Contractor is invited to attend Scrutiny Committees at both councils annually to be challenged on performance issues.</li> <li>4. Monthly client meetings to review operations</li> <li>5. Use of large operator</li> <li>6. Quarterly financial statements from contractor/s.</li> <li>7. Financial support package provided by the Alliance to the supplier during covid pandemic due to loss of income.</li> </ol>	<ol style="list-style-type: none"> <li>1. Monthly client meetings to monitor performance</li> <li>2. Commissioning Board structure in place to monitor contractor performance alongside attendance at Scrutiny Committees at both councils annually</li> <li>3. Financial support package given by Councils</li> <li>4. Consultancy support obtained via Sport England to help determine impact of operator failure on Councils in regard to liabilities and risk.</li> <li>5. Consultancy support being sourced to review long term delivery model of operations.</li> <li>6. Government funding awarded in Feb 2021 to help offset financial impact due to covid on recovery of facilities post pandemic.</li> <li>7. Gov't business support for energy costs for 6 months will help the burden that increasing costs is placing on the supplier</li> </ol>
Development Services  Impact – 4 Likelihood - 5	PL3	Risk of injury to the public / damage to property as a result of falling	Monitor and inspect council tree stock, production of Ash die back strategy, staff training to recognise disease, respond to reports of disease.	<ol style="list-style-type: none"> <li>1. Continue with inspection regime</li> <li>2. Review of service / resource requirements in light of Zurich report.</li> </ol>

Service	Ref	Risk Description (vulnerability)	Current Controls	Further Mitigation Plans
		trees / debris		
Env Health  Impact – 3 Likelihood - 4	Env 2	Major incident (requiring Environmental Health response/input)	<ol style="list-style-type: none"> <li>1. Cross working, multi/minor skilled staff.</li> <li>2. Emergency Plan in place and tested.</li> <li>3. Remote system access</li> <li>4. Good working relationship with other LA's /Agencies.</li> <li>5. Good communication network</li> <li>6. Liaison with high-risk premises on contingency plans</li> <li>7. More control over officers and teams in new structure- can be deployed to specific areas more effectively.</li> </ol>	<ol style="list-style-type: none"> <li>1. Focus on personal development and additional training for existing staff to retain existing talent (PEP process)</li> <li>2. A service review is underway to ensure we have enough FTE to achieve the minimum statutory requirements- still currently in progress. Training ongoing for Animal Welfare however this will take at least 18mths to obtain competency.</li> </ol>
Finance  Impact – 4 Likelihood – 4	FP1	Risk to income stream/budget overspend.	<ol style="list-style-type: none"> <li>1. Budget monitoring</li> <li>2. Efficiency programme</li> <li>3. Consider latest intelligence for budget reviews</li> <li>4. Contingency reserve in place</li> </ol>	<ol style="list-style-type: none"> <li>1. Ensure there is a provision in the General Fund on an annual review basis.</li> <li>2. Monitor budget position and target specific areas quarterly throughout the year. Efficiency &amp; Rationalisation and Inflation ear-marked reserves in place. Impact of cost-of-living crisis on service income streams to be monitored and built into future MTFP assumptions at update.</li> <li>3. Resourcing of efficiency and transformation process via the Transformation Board monthly update monitoring.</li> </ol>
Impact – 4 Likelihood – 3	FP2	Pension Liability risk to budget	<ol style="list-style-type: none"> <li>1. Monitoring of pension liability</li> <li>2. Careful consideration of pension cost implications when awarding contracts (externalisation of services)</li> <li>3. Base budgets on latest intelligence</li> <li>4. Manage pressure through the Financial Planning process.</li> <li>5. Close liaison with pensions authority and actuary</li> <li>6. Careful workforce planning including consideration of potential pension fund consequences of future outsourcing arrangements.</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> </ol>
Impact – 5 Likelihood - 2	FP3	Treasury Management failure (General)	<ol style="list-style-type: none"> <li>1. Professional training of staff</li> <li>2. Professional advice and support</li> <li>3. Careful control of lending list including investment limits on</li> </ol>	<ol style="list-style-type: none"> <li>1. Carry out regular credit checks and react to latest developments in treasury management risk. Incorporate into the annual Treasury Management Strategy - reported</li> </ol>

Service	Ref	Risk Description (vulnerability)	Current Controls	Further Mitigation Plans
			<p>institutions through formally adopted Treasury 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>to Full Council each February</p> <p>2. Keep under review: the high inflation economy may impact banks - impacts of financial sector volatility in respect of interest rates and Government bonds. 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>
<p>Communities &amp; Climate Change</p> <p>Impact – 4 Likelihood - 4</p>	CCC1	CCTV Failure	<p>Maintenance contract in place with monthly contract management meetings being held. Control room has been recently upgraded and is operated 24/7 by Carelink operatives. However, contractors are not performing contract as agreed with major slippage</p>	<p>We have appointed an external consultant (SGW) to carry out a review of the implementation of the contract</p>