

## Appendix B: Above Tolerance Operational Risks

Service	Ref	Risk Description (vulnerability)	Current Controls	Further Mitigation Plans
Assets  Impact – 5 Likelihood – 2	AS1	Delivery of Repairs, Maintenance, Compliance and FM in Public Buildings	<ol style="list-style-type: none"> <li>1. Close management of the AllianceNorse Service agreement through monitoring of Key Performance Indicators (KPI's).</li> <li>2. Working collaboratively with AllianceNorse 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 are occurring and we are focusing on receiving better information.</li> <li>2. AllianceNorse 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 AllianceNorse.</li> </ol>
	AS2	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 Neighbourhood 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 have delivered the operations of Compliance and H&amp;S activities since 4th July 2022 - project to include improvements to be managed through KPIs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Norse project 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 year end 23/24. Full access requested to the Alliance Norse 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 in place to ensure the focus on delivery and transparency of reporting compliance activities.</li> </ol>
Impact – 3 Likelihood – 4	AS3	Sustainability of the Assets Green agenda and CO2 net zero by 2030	Input into the corporate carbon reduction plan. Further work on the database and stock condition is required to refocus on climate change in the revised Asset Management Plan. All capital projects are to review the "green options" before implementation.	<ol style="list-style-type: none"> <li>1. Central focus in Asset Management policy and strategy work.</li> <li>2. Strategic approach required for the Asset Management Plan and Climate Change action plan.</li> <li>3. Commission Energy Audits of key public buildings to assist with the revised Asset Management Plan.</li> <li>4. Interrogation of energy audits against stock condition to develop the new investment programme.</li> <li>5. Discussions with AllianceNorse about levels of support for de-carbonising initiatives.</li> <li>6. Ongoing work around energy usage through the accommodation review.</li> </ol>
	AS4	Rapid increase in	Some contracts are still in place with pricing based on original	<ol style="list-style-type: none"> <li>1. Revisions of capital programme following strategic</li> </ol>

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Impact – 4 Likelihood - 3		cost of materials, sub-contractors, and supply.	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 prices and suppliers across the board are being affected.	options. 2. Apply inflationary increases to likely costs of the Asset Management Plan in the Mid Term Financial Plan to ensure that significant increases in costs are captured. 3. Review the Asset Management Plan and HRA business Plan refresh to capture significant levels of cost inflation. 4. All expenditure being reviewed
Impact – 4 Likelihood – 4	AS5	Recruitment and Retention.	1. Continuous review of priorities, ensuring that the more areas of significant risk re dealt with first. 2. Undertake recruitment drives. 3. Review alternative options, including "growing our own" staff approach for the longer term. 4. April 24- 2 new full time staff members recruited who will be working on the housing portfolio	1. Advertising of roles. 2. Utilising agencies for temporary / interim staff to support the existing teams. 3. Increase support function to alleviate pressures from officers. 4. Determine what options are available for further outsourcing of work and add to procurement forward plan.
Impact – 3 Likelihood – 4	AS9	Increase in Housing Disrepair Claims. External agencies prompting significant increases in claims.	All procedures have now transferred to AllianceNorse. 1.Repairs are classified into 4 categories to ensure that they are carried out in a timely manner. 2.Records are kept of customer reports. 3.All disrepair claims are dealt with as they are received. 4.Request to Repair data is used to report KPI's to members. AllianceNorse are required to input into the disrepair process.	1.Data is analysed monthly by the Service Manager to ensure performance is monitored. 2. Complaints are monitored and attended to daily and responded to withing corporate timescales. 3. Supervisors to make random inspections of Operatives standards of work. 4. New IT system to be procured and implemented. 5. Awaiting full access to the Connect system.
Impact – 5 Likelihood - 3	AS11	Significant failing in fire door compliance	New Issue. Work underway to fully identify need and plan to resolve within one year.	All doors brought up to standard, certified and recorded within 2024. Fire doors are currently out for tender (April 24)
Service Commission  Impact – 4 Likelihood – 3	SC1	Failure to deliver waste and recycling collection services to domestic properties and businesses.	1. Shareholding and Commissioning Board meeting structure is 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. We would bring the service back in house, vehicles are primarily owned by the Alliance, we would spot hire any required in the short term if risk materialised. 2. Continuation of current controls. 3. Staff from streets and parks (non- priority) trained to be able to undertake and support waste collections. 4. Contractors contingency arrangements have been tested in recent months and in place should they be required again.

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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> <li>8. Robust programme of Health and Safety audits provided.</li> <li>9. Contractor Business Continuity Plan is in place and reviewed regularly.</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. Government 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 trees / debris	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>
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 (Appraisal process) .</li> <li>2. A service review is ongoing, recruitment has started however progress is slower than expected.</li> </ol>
Finance	FP1	Risk to income stream/budget	<ol style="list-style-type: none"> <li>1. Budget monitoring.</li> <li>2. Efficiency programme.</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> </ol>

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Impact – 4 Likelihood – 4		overspend.	3. Consider latest intelligence for budget reviews. 4. Contingency and ear-marked reserves in place including inflation reserve.	2. Monitor budget position and target specific areas quarterly throughout the year. Efficiency & Rationalisation and inflation ear-marked reserves are in place. Impact of the cost-of-living crisis on service income streams to be monitored and built into future Mid Term Financial Plan assumptions at update. 3. Resourcing of efficiency and transformation process via the Transformation Board monthly update monitoring. 4. Ensure adequate earmarked/general reserve levels are maintained.
Impact – 4 Likelihood – 3	FP2	Pension Liability risk to budget	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 and use of pass through agreements. 7. Actuarial review of legal challenges concluded a minor impact on fund value.	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.
Impact – 5 Likelihood - 2	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 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 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 are 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. 4. Adherence to security, liquidity: yield hierarchy in

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				investment decisions.
Communities & Climate Change  Impact – 4 Likelihood - 4	CCC1	CCTV Failure	Maintenance contract is 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 the contract as agreed with major slippage.	We have appointed an external consultant (SGW) to carry out a review of the implementation of the contract. A new contractor has been appointed.
Customer Services  Impact – 5 Likelihood - 2	CS3	Safeguarding for and by frontline staff	Specific procedures are in place for frontline staff to signpost and make referrals.	1. Ongoing safeguard training in place- this is targeted specifically for frontline staff 2. 'Challenging customer' training in place.