

Appendix c - Operational Services- Future Delivery of Service

Project Manager: Peter Vince

Some useful notes ▶ ▶ ▶

These columns assist in establishing the priorities surrounding risk management and current mitigation actions

Important Note - The cost implications estimated are those associated with the need to reduce/remove risks which may or may not occur.

Risk ID	Risk Title	Identification of areas where there are significant risks	Option	Date Added	Type	Risk Category	Risk Owner	Linked Risk IDs	Initial Assessment			Mitigation Required	RAG Status	Direction of Travel	Proximity (Timing)	COST to mitigate risk and/or recover from risk occurrence	COST based on likelihood
									Likelihood	Impact	Risk Rating						
1	Governance	The Council loses control / governance of the service standards and performance	2,3+4	May	Organisational/Project	Quality			1	5	5	The Council would establish an agreed service level with the service provider and this would robustly monitored		▶	L		
2	Insolvency	The company becomes insolvent, with discontinuity of service	2,3+ 4	May	Organisational/Project	Financial			1	5	5	The Council operates its own risk management strategy with close scrutiny of the company's financial performance and defined triggers for action to ensure continuity of service.		▶	L	Council would recover assets i.e vehicles and buildings	£3M
3	Timeline	Timescale and project slip for implementation	2,3+ 4	May	Organisational/Project	Financial			1	4	4	1)Close monitoring of progress. 2)Regular reporting and 3)liaison meetings with selected service provider		▶	S	Savings not delivered on time	£200,000
4	Experience	The Council has limited experience of establishing local authority controlled companies, transferring staff, agreeing pension arrangements and participating in the running of those companies	4	May	Organisational/Project	Resource			1	3	3	Expertise will be brought in to fulfil these roles in any areas of weakness JVC Partner will have specialist knowledge and resources and would work with the Council to ensure a seamless transition to the new arrangement		▶	M	£10,000	£10,000
5	Financial risk	Efficiencies not delivered and Business does not grow which could result in expected savings not realised	1,2,3 +4	May	Organisational/Project	Financial			1	3	3	Priority to focus on cost reduction and income generation from day one of the contract.		▶	L	Up to £300,000	
6	JVC-Legality	Compliance with procurement regulations	4	May	Project	Quality			1	1	1	Counsel advice sought- No risk working as a Teckal .		▶			
7	Reputation	Damage to the Council's reputation if losses arise and/ or service standards are not maintained.	1,2,3+4	May	Organisational/Project	Quality			1	5	5	Close and robust monitoring of services and the service providers.		▶	L		
8	Traded functions	Re-allocating of resources away from core services and into commercial functions in order to strengthen the company.	4	May	Organisational/Project	Quality			2	3	6	Purposes and priorities of the company are clearly defined in its constitution. Service Delivery Agreements are clearly related to required outcomes, backed by performance guarantees and rigorously monitored at Board level.		▶	L		
9	Contract	Contract specification poorly written	2+3	May	Organisational/Project	Quality			2	4	8	Make use of existing skills/resource and if required seek external support		▶	L	External Resources	£15,000
10	Project Interdependencies	Over reliance on limited amount of internal resources	1,2,3+4	May	Project	Quality			5	2	10	1)Early dialogue and consultaton with project leads 2) seek to provide additional resource		▶	M		£15,000
11	Lack of Public consultation	Service users not given opportunity to express an opinion or influence change	2,3+4	May	Organisational/Project	Quality			1	5	5	Make use of existing skills/resource and if required seek external support		▶			£1,000

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									Likelihood	Impact	Risk Rating						
12	Supplier initiated termination of contract	Contractor/partner chooses to pull out of the contract.	2,3+4	May	Organisational/Project	Quality			2	5	10	An agreed break clause which allows for the development of alternative service delivery		▶	L		£3M
13	Support from Unions	Lack of support may lead to potential delay in implementation	2,3+4	May	Organisational/Project	Resource			1	3	3	Commence early dialogue with union. (Unison)		▶	S		
14	Timely submission of report(s)	Project slip	1,2,3+4	May	Organisational/Project	Timetable			1	5	5	Prioritisation of workload and timely submission		▶	S		
15	Successful Challenge on decision	Delay to project mobilisation	2+3	May	Organisational/Project	Timetable			3	4	12	Robust review of tender returns		▶	S		£100,000
16	Successful Challenge on decision	Delay to project mobilisation	4	May	Organisational/Project	Timetable			1	4	4	Due Dilligence I.E full scrutiny of selected JVC		▶	S		£100,000

Likelihood		
1	Very Unlikely	<10%
2	Unlikely	20%
3	Fairly Likely	40%
4	Likely	65%
5	Highly Likely	>90%

Impact		
1	Negligible	
2	Marginal	
3	Substantial	
4	Severe	
5	Disastrous	

Overall Risk Boundaires	
Green	0 - 7
Amber	8 - 14
Red	15 - 25

Action Owners		
<i>Owner's Initials</i>	<i>Owner's Full Name</i>	<i>Owner's Project Role Title</i>
<i>FB</i>	<i>Fred Bloggs</i>	<i>Project Manager</i>

Type
Organisational
Project
Organisational/Project

Proximity (Time)	
IM	- Immediate
S	- Short
M	- Medium
L	- Long

Category		
1		Timetable
2		Resource
3		Quality
4		Financial

Direction of Travel	
▶	Unchanged
▲	Increased
▼	Decreased