

RISK LOG SUMMARY

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| PROJECT/PROGRAMME TITLE | TRANSPORT ASDV |
| Completed by: | David Laycock/Jo Butler |

17/02/14

| | Risk Type | Scope of Risk (Detail) | Gross Score (without controls) | | | Existing Controls | Net Score | | | Risk Treatment and Control Measures to be introduced | Anticipated Score | | | Officer Responsible for Risk |
|-----|-----------|---|-----------------------------------|--------|-------------|--|------------|--------|-------------|--|-------------------|--------|-------------|------------------------------|
| | | | Likelihood | Impact | Total Score | | Likelihood | Impact | Total Score | | Likelihood | Impact | Total Score | |
| | | | L | I | LxI | | L | I | LxI | | L | I | LxI | |
| PR1 | THREAT | There is a risk that the Intelligent Client Function is not established quickly enough and/or lacks understanding and knowledge of transport operations (including market demand, fluctuations and pricing) leading to ASDV contractual arrangements not being robustly specified leading to failure to deliver the effective service as planned. | 4 | 4 | 16 | Acceptance | 4 | 4 | 16 | Recruitment of external expertise into ICF function | 3 | 4 | 12 | Lorraine Butcher |
| PR2 | THREAT | The council fails to recognise that some aspects of demand are without the company's control (e.g. SEN transport) leading to unrealistic expectations of profitability and shareholder returns which ensure expected benefits are not delivered | 4 | 4 | 16 | Acceptance | 4 | 4 | 16 | Robust negotiation of contractual terms and governance arrangements to ensure due accountability and flexibility | 3 | 3 | 9 | Lorraine Butcher |
| PR3 | THREAT | Lack of understanding or awareness of the impact of commissioning decisions give rise to cost overruns for the WOC resulting in inefficient and ineffective delivery | 4 | 4 | 16 | Acceptance | 4 | 4 | 16 | Robust negotiation of contractual terms and governance arrangements to ensure due accountability and flexibility | 3 | 3 | 9 | Lorraine Butcher |
| PR4 | ISSUE | There is a risk that the challenging timescales under consideration do not allow for any contingency and assume resources will be readily available when needed. Should resources be overstretched then the project will fail to be completed on time resulting in a delay in delivering planned benefits and potential reputational damage for the council | 4 | 4 | 16 | Acceptance | 4 | 4 | 16 | Full briefing and involvement of all enabler services. Commission Oracle build to begin ASAP with additional resource to be employed. Contingency is to plan a fall-back go-live date of 1st Oct | 3 | 3 | 9 | Lorraine Butcher |
| PR5 | THREAT | A change in local political perspectives reduces the appetite for outsourcing services leading either to delay, reduction or cancellation of the initial concept | 3 | 4 | 12 | Awareness of issue and current politics which are favourable | 2 | 4 | 8 | No further action possible | 2 | 4 | 8 | Lorraine Butcher |

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| | | | L | I | LxI | | L | I | LxI | | L | I | LxI | |
| CR1 | COUNCIL THREAT | There is a risk that the Intelligent Client Function is not established quickly enough and/or lacks understanding and knowledge of transport operations leading to ASDV contractual arrangements not being robustly specified leading to failure to deliver the full council objectives and benefits | 4 | 4 | 16 | Awareness only at this stage | 4 | 4 | 16 | Recruitment of external expertise into ICF function | 3 | 4 | 12 | Lorraine Butcher |
| CR2 | COUNCIL THREAT | Lack of understanding or awareness of the impact of commissioning decisions give rise to cost overruns for the company resulting in ineffective delivery of expected outcomes | 4 | 4 | 16 | Acceptance | 4 | 4 | 16 | Robust negotiation of contractual and governance arrangements plus developing the understanding of the ICF role. Council ownership permits renegotiation of contract if necessary | 3 | 3 | 9 | Lorraine Butcher |
| CR3 | COUNCIL ISSUE | There is a risk that resources may be diverted to this project at the expense of other ASDVs resulting in their failure to launch on time and deliver benefits as planned | 4 | 4 | 16 | Acceptance | 4 | 4 | 16 | Additional resource recruited by this project to avoid demands on other projects | 3 | 3 | 9 | Lorraine Butcher |
| CR4 | COUNCIL THREAT | There is a risk that information sharing protocols between CEC, the new company and any subcontractors are either not in existence, inadequate or are breached leading to legal challenge and possible financial penalties plus serious reputational damage. This will have a detrimental impact on the achievement of the council's priorities and may expose the Council and Cheshire East residents to other serious risks. | 4 | 4 | 16 | Contractors are currently required to agree to appropriate standards, obligations which will be transferred | 3 | 3 | 9 | Close monitoring of contract adherence and inclusion of relevant terms and conditions | 3 | 3 | 9 | Lorraine Butcher |
| CR5 | COUNCIL THREAT | There is a risk that the new company (and any subcontractors) do not follow all necessary safeguarding procedures and practice and make relevant insurance arrangements resulting in safeguarding issues, complaints and prosecutions leading to financial penalties and reputational damage | 4 | 4 | 16 | Contractors are currently required to agree to appropriate standards, obligations which will be transferred | 3 | 3 | 9 | Close monitoring of contract adherence and inclusion of relevant terms and conditions | 3 | 3 | 9 | Lorraine Butcher |
| CR6 | COUNCIL OPPORTUNITY | There is the potential for the SLE to become so successful that not only does it mitigate current council liabilities but actually delivers a substantial revenue income to shareholders which contributes positively to the Council's bottom line | 1 | 2 | 2 | Awareness | 1 | 2 | 2 | Avoid taking short term returns which have an adverse impact on the potential for future growth | 2 | 2 | 4 | Lorraine Butcher |

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| | | | L | I | LxI | | L | I | LxI | | L | I | LxI | |
| CoR1 | COMPANY THREAT | There is a risk that governance, management or contractual arrangements do not allow for decisions to be taken at the appropriate levels or by appropriate people resulting in detrimental impact to service delivery and failure to deliver against the Council's ability to achieve its key community outcomes | 4 | 4 | 16 | Awareness only at this stage | 4 | 4 | 16 | Robust negotiation of contractual and governance arrangements plus developing the understanding of the ICF role | 3 | 4 | 12 | Chris Williams |
| CoR2 | COMPANY THREAT | There is a risk that the Intelligent Client Function is not established quickly enough and/or lacks understanding and knowledge of transport operations leading to ASDV contractual arrangements not being robustly specified leading to failure to achieve its business plan (e.g. lack of freedom) | 4 | 4 | 16 | Awareness only at this stage | 4 | 4 | 16 | Recruitment of external expertise into ICF function | 3 | 4 | 12 | Chris Williams |
| CoR3 | COMPANY THREAT | Lack of understanding or awareness of the impact of commissioning decisions give rise to cost overruns for the WOC resulting in inefficient delivery and loss of profitability and ineffective delivery | 4 | 4 | 16 | Awareness only at this stage | 4 | 4 | 16 | Robust negotiation of contractual and governance arrangements plus developing the understanding of the ICF role | 3 | 3 | 9 | Chris Williams |
| CoR4 | COMPANY THREAT | There is a risk that information sharing protocols between CEC, the new company and any subcontractors are either not in existence, inadequate or are breached leading to legal challenge and possible financial penalties which negatively impact to ongoing commercial viability of the company | 4 | 4 | 16 | Contractors are currently required to agree to appropriate standards, obligations which will be transferred | 3 | 3 | 9 | Close monitoring of contract adherence and inclusion of relevant terms and conditions | 3 | 3 | 9 | Chris Williams |
| CoR5 | COMPANY THREAT | Short term contractual arrangements (e.g. overpricing of CEC back office services provided during the incubation period) overburden the formative company and/or impacts its long term future resulting in financial failure | 4 | 4 | 16 | Awareness and inclusion of assumptions in business case | 3 | 4 | 12 | Robust contract negotiation on support costs and freedoms | 2 | 4 | 8 | Chris Williams |
| CoR13 | COMPANY OPPORTUNITY | The potential for offering staff rewards and greater involvement has a positive impact on performance allowing over-delivery against the business plan and higher returns for shareholder | 2 | 3 | 6 | Recognise but don't over-estimate impact at an early stage | 3 | 3 | 9 | Ensure longer terms plans accommodate this option and that staff are fully engaged by the potential | 4 | 3 | 12 | Chris Williams |
| CoR14 | COMPANY OPPORTUNITY | The increased freedom of operations means that profits can be re-invested in service development, decisions made faster and a better image presented to customers. All of these allow over-delivery against original business plans and higher shareholder returns | 2 | 2 | 4 | Recognise but don't over-estimate impact at an early stage | 2 | 3 | 6 | Exploit such options and ensure that the long-term benefits are prioritised over short term gains | 3 | 4 | 12 | Chris Williams |

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|-------|---------------------|--|---|---|---|--|---|---|---|--|---|---|---|----------------|
| CoR15 | COMPANY OPPORTUNITY | There is an opportunity for the company to apply for alternative grant funding (e.g. LSTF) not currently open to LAs that will permit it to develop new innovative, community services and increasing marketability | 1 | 2 | 2 | Awareness | 1 | 2 | 2 | Ensure company has the capacity and knowledge to 'horizon scan' and seek new opportunities | 2 | 3 | 6 | Chris Williams |
| CoR16 | COMPANY OPPORTUNITY | There is an opportunity for the new company to reduce it's back office cost base in the longer term so allowing it to become more competitive and profitable | 1 | 2 | 2 | Close awareness of shared service costs included in business plans | 2 | 2 | 4 | Renegotiate costs or seek alternatives post-incubation period | 3 | 3 | 9 | Chris Williams |
| CoR17 | COMPANY OPPORTUNITY | There is an opportunity to offer new package deals and other contractual terms that are more attractive to operators thereby improving turnover and market share which allows the SLE to outperform its business plan and deliver higher returns to shareholders | 2 | 2 | 4 | Awareness | 2 | 2 | 4 | Ensure beneficial contracts are developed and that the new company has a focus on market development | 3 | 3 | 9 | Chris Williams |