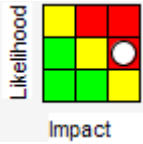


## APPENDIX A - NEW TOP RISKS FOR FINANCE, AUDIT & RISK COMMITTEE

Generated on: 18 August 2014



Top Risk Code & Title	<u>RR518 Development of Careline</u>
<p><b>Description</b></p>	<p>Work is underway to "grow" the Careline business base through marketing; being appointed by HCC as the sole community alarms provider for Hertfordshire and partnership working with Hertfordshire Community Meals (HCM) to form Hertfordshire Independent Living Service (HILS). This is a key project in the Priorities for the District 2014/15 New call answering software is being installed.</p> <p>As a result of</p> <ul style="list-style-type: none"> <li>- the requirement to mobilise quickly by HCC</li> <li>- failing to follow up other areas of potential development such as with the police for victims of domestic violence, dementia tracking, domestic CCTV etc</li> <li>- loss of key staff working with HCM and HCC and/or delivering the software upgrade</li> <li>- lack of funding from HCC/NHDC</li> <li>- acquiring additional business too quickly</li> <li>- the tight timetable to become the community alarms provider for the County</li> <li>- no longer being TSA accredited</li> <li>- the new software not being fully operational</li> <li>- failing to engage with partners (HCC and HCM)</li> <li>- failing to have proper governance arrangements in place with HCM and HCC</li> <li>- failing to comply with procurement rules</li> <li>- failing to maintain "business as usual" during the course of the project</li> <li>- failing to adequately train staff on the new system</li> <li>- the Careline offices not being fit for the expansion in business</li> </ul> <p>There is a risk that there is a</p> <ul style="list-style-type: none"> <li>- loss of opportunity to be the sole provider of community alarms for Hertfordshire</li> <li>- loss of opportunity to develop other areas of potential business</li> <li>- failure to have the right model to cope with demand</li> <li>- failure to deliver within the required time frame by HCC</li> <li>- failure to deliver telecare solution</li> <li>- the acquisition of new clients from HCC is not cost effective</li> <li>- failure to purchase equipment and business from existing suppliers to HCC</li> </ul>

	<ul style="list-style-type: none"> <li>- lack of sufficient trained staff to cope with increased calls</li> <li>- failure to attract new business</li> <li>- loss of Corporate clients due to lack of accreditation</li> <li>- failure to get best value through procurement or being challenged on a procurement</li> <li>- disruption to the day to day business of Careline suffers and/or the regulatory duties of the Head of Housing &amp; Public Protection Services through the delivery of the project streams</li> <li>- failure to answer calls or respond to them correctly due to lack of training</li> </ul>		
<b>Opportunities</b>	To develop the business of Careline to become the main community alarms provider for Hertfordshire and generate income for NHDC. To support independent living for local residents.		
<b>Consequences</b>	<p>The consequences of failing to manage these risks include:</p> <ul style="list-style-type: none"> <li>- Careline loses the contract with HCC</li> <li>- HCM choose to work with an alternative community alarms provider</li> <li>- Careline fails to attract addition business resulting in it failing to cover its costs</li> <li>- the software upgrade will not be implemented smoothly resulting in missed calls and/or loss of business</li> <li>- calls failing to be monitored, potentially loss of life.</li> <li>- loss of reputation</li> <li>- loss of existing clients</li> <li>- relationship in HILS would fail to be open and transparent leading to loss of reputation, contract and income</li> </ul>		
<b>Service Area</b>	Housing & Public Protection		
<b>Lead Officer</b>	Andy Godman	<b>Cabinet Member</b>	Cllr B Lovewell
<b>Current Risk Matrix</b>			
<b>Current Impact Score</b>	3	<b>Current Likelihood Score</b>	2
<b>Date Reviewed</b>	19-May-2014	<b>Next Review Date</b>	01-Sep-2014
<b>Work Completed</b>	<p>HCC have informally committed £600,000 to the HILS project.  NHDC have committed Capital funding to enable equipment and business to be bought from other providers  HCM as the NHDC delivery partner will install alarms.  Careline has a supply of Bank staff  Good relationship and communications with HCM and Officers at HCC.  Currently have a waiver for purchase of alarm equipment, key safes, emergency response etc to gain an idea of contract values to determine best procurement route for the future.  Appointment of a marketing team for Careline.</p>		

	<p>Competent managers to support H of HPPS HCC have provided £20,000 to assist with mobilisation costs.</p>
<p><b>Ongoing Work</b></p>	<p>Careline Manager will be able to take over increasing the customer base from Head of Housing &amp; Public Protection Services once the new software has been installed. Careline Manager post re-evaluated to improve likelihood of retention New post of Assistive Technology Officer created to support logistical capacity of HCM and input into longer term strategic issues. Monitoring of work programmes and prioritisation of tasks. Careline Manager considering operating models for staffing requirements to ensure a phased investment that does not cost more than the increase in revenue that is generated from the new business. In the interim to use Bank and temporary staff as necessary. Learning lessons from the transfer of business form Broxbourne Borough Council Software upgrade to be completed in June System being tested prior to going live. Working with ancillary suppliers as well as new supplier to ensure smooth transition. Legal are developing an agreement to use with existing providers to ensure any liabilities arising form the transfer of business/ equipment to NHDC remain the responsibility of the current provider Fall back response being developed with Red Cross/Arena Security. New software will enable home working reducing need for office accommodation. Possibility of attracting staff currently working for Broxbourne Borough Council To develop a partnership agreement with HCM and an Agency Agreement with HCC Collective has no overall governance at present. To consider joint reporting once established. Training on new system being provided</p>

Top Risk Code & Title	<u>RR520 Waste &amp; street cleansing contract renewal</u>
<p style="text-align: center;"><b>Description</b></p>	<p>The waste and street cleansing contract is due for renewal on 1 April 2017. There are number of risks to this procurement that have been identified on a project risk log.</p> <p>As a result of</p> <ul style="list-style-type: none"> <li>- unavailability of key staff</li> <li>- a poorly worded/unclear specification</li> <li>- lack of tenders/collaboration</li> <li>- the complex and evolving statutory environment</li> <li>- changes in disposal infrastructure</li> <li>- extensive lead in time for any new supplier</li> <li>- new procurement legislation</li> <li>- Veolia's software not producing data in a usable format</li> <li>- other corporate projects calling upon key Officer resource</li> <li>- opportunities for collaborative working</li> <li>- health and safety risks arising from use of HGV's and manual handling</li> <li>- lack of up to date information held by NHDC</li> <li>- key staff being involved in the procurement</li> <li>- age of existing contract</li> <li>- lack of NHDC ownership of a depot or transfer station</li> </ul> <p>There is a risk that</p> <ul style="list-style-type: none"> <li>- there will be insufficient staff skills and experience leading to a poor quality tender specification/contract terms</li> <li>- the contract fails to deliver expectations</li> <li>- the contract costs increase</li> <li>- procurement will not be delivered on time</li> <li>- the procurement does not follow latest legislation</li> <li>- errors and omissions are made in the evaluation and award of contract</li> <li>- incorrect information is provided in the tender documents</li> <li>- the procurement will be delayed due to conflicts with other projects/support service availability</li> <li>- the procurement is delayed due to lack of engagement with stakeholders/partners/staff/politicians</li> <li>- there is a breach of health and safety legislation by the contractor</li> <li>- there is a decline in business as usual</li> <li>- current service standards may prove more costly</li> <li>- potential bidders may not find suitable depot sites</li> </ul>
<p style="text-align: center;"><b>Opportunities</b></p>	<p>To provide a modern cost-effective waste and street cleansing service with a contract that is easily performance managed.</p>

<b>Consequences</b>	<p>The consequences of this risk include</p> <ul style="list-style-type: none"> <li>- a poor quality tender specification/contract terms</li> <li>- a legal challenge that would be costly and possibly delay the letting of the contract</li> <li>- the cost of the new contract exceeds budget</li> <li>- incorrect tender pricing by a contractor</li> <li>- missed collections/deterioration in street cleansing leading to increased customer complaints and a possible negative impact on public health</li> <li>- injuries, HSE investigations and insurance claims/HSE fines</li> <li>- lack of bids, transferring waste outside the district and/or high contract price</li> </ul>		
<b>Service Area</b>	Leisure & Environmental Services		
<b>Lead Officer</b>	Vaughan Watson	<b>Cabinet Member</b>	Cllr P Burt
<b>Current Risk Matrix</b>			
<b>Current Impact Score</b>	3	<b>Current Likelihood Score</b>	2
<b>Date Reviewed</b>	27-Jun-2014	<b>Next Review Date</b>	06-Aug-2014
<b>Work Completed</b>	<p>Employment of experienced Contracts Manager for Waste &amp; Street Cleansing  Project identified as key in Priorities for the District 2014/15.  Existing service standards in some areas are below that specified in the contract so any decline in service standards would not be noticed.  Bury Mead Road to be used as transfer station in the short/medium term  Project team established</p>		
<b>Ongoing Work</b>	<p>Procurement advice could be outsourced  As a contingency in the event of staff unavailability, support could be obtained from HCC/HWP.  To undertake "soft" market test and build any ideas from this into spec.  To benchmark contract specification with other authorities  Seek input from Procurement/Contracts solicitor.  Include pricing schedule reviews in the spec.  Undertake consultation with parishes.  Invite dialogue and engage with potential suppliers at an pre procurement stage.  Draw up timeline and allocate tasks with waste team  Use Delta to ensure there is a transparent audit trail.  Review contract &amp; customer data to improve data.  To stipulate in contract that NHDC has more control over the data held by the contractor.  Prompt decision required as to whether this is to be a joint procurement.  H &amp; S to be asked for at PQQ stage and to be key areas in spec.</p>		

	<p>Good contract management to identify any apparent H &amp; S risk areas or breaches. To work with IT to transpose current data. Produce mapped data with inspectors to audit information. To review CRM information and IT integration. Members/public/CSC to direct enquiries to others in waste team not involved in procurement Identify sites for potential Northern Transfer Station and depot site. Purchase site and obtain planning permission.H &amp; S to be asked for at PQQ stage and to be key areas in spec. Good contract management to identify any apparent H &amp; S risk areas or breaches. To work with IT to transpose current data. Produce mapped data with inspectors to audit information. To review CRM information and IT integration. Members/public/CSC to direct enquiries to others in waste team not involved in procurement Identify sites for potential Northern Transfer Station and depot site. Purchase site and obtain planning permission.</p>
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