

Decision Risk Assessment [Version 1.0]

Title of Report	Highway Contracts
Report Author	Nick Pates
Date of Completion	20/12/2023
Purpose of this risk assessment	
<p>Risk Management supports good corporate governance which in turn supports effective decision making and improved performance. Applying risk management processes will help strategic decision makers make informed decisions about of policy decisions and service delivery options.</p> <p>Risk is the chance of something happening that will have an impact on achievement of the council's aims or objectives. Risk can be both Positive Opportunities (for example, pursuing a grant or changing a way of working to increase efficiencies) and Negative Threats (such as the risk of financial loss or reputational damage to the council).</p> <p>Risk management is the identification, evaluation, management and review of these opportunities or threats.</p> <p>This risk assessment is intended to:</p> <ul style="list-style-type: none">• Demonstrate that all significant risks related to the decision have been considered.• Provides evidence that the decision maker has been provided with sufficient information about risks in terms of probability and impact• Explain how the risks will be managed.	
Guidance	<p>The assessment requires the report author to record 'significant' risks identified in relation to the decision.</p> <ul style="list-style-type: none">•Section 1 – Threat Risks - Identify and record the threat risks in relation to taking the proposed recommendation(s) (including the risks of implementation), and the risks of not taking the recommended action.•Section 2 – Opportunity Risks - Identify and record the opportunity risks related to taking the proposed recommendation. <p>When identifying risks consider the type of risk – these can be related to finances, reputation, governance, technology, etc In addition, consider the actions and controls that serve to mitigate the risk or increase the opportunity.</p> <p>Please contact riskmanagement@bristol.gov.uk for further support.</p>
Further risk management guidance can be found on the Source	https://bristolcouncil.sharepoint.com/sites/Corporate/SitePages/risk-management.aspx

Updates automatically

Updates automatically

Threat Risks														
Risk Title	Risk Description	Key Causes	Key Consequences	Status Open / Closed	Risk Category	Key Mitigations	Current Risk Level				Monetary Impact of Risk £k	Council Risk Appetite for the risk type identified	Does the risk exceed the council's risk appetite?	Financial Risk Exposure
							Likelihood	Impact	Risk Rating	Risk Level				
<i>Example - Risk that the decision will lead to a financial loss to the council</i>	<i>EXAMPLE - There is a risk that the council will suffer financial loss if the decision taken is unsuccessful in its aims or objectives</i>	<i>Inflation Workforce capacity Unforeseen cost increases</i>	<i>Financial loss</i>	<i>Open</i>	<i>Financial Loss/Gain</i>	<i>Guidance oTreat – Implementing controls: Contingency plans, Procedures, Monitoring, Detection, Training, Provision of Information, Policies, New Systems. oTolerate – Accept risk without mitigating. Still monitor and consider fall back plans. oTerminate – Avoid the risk by no longer pursuing the objective oTransfer – Share the risk with another party: Insurance, Contractual Transfer, Partnerships, Ventures/Outsourcing Services</i>	<i>4</i>	<i>5</i>	<i>20</i>	<i>High</i>	<i>£100,000</i>	<i>Cautious</i>	<i>Yes</i>	<i>£87,500.00</i>
Approval not given to retender contract	Cabinet decides not to approve the retendering of the contracts	Cabinet	Failure to appoint contracts after the existing contract expires leading to inability to deliver Highway statutory works and the transport work programme	Open	Programme/Project Management	Detailed cabinet report & discussion through decision pathway process.	2	5	10	Medium	£5,000,000	Open	No	£1,500,000.00
Tender prices	Prices tendered exceed budgets	Inflation and unforeseen costs	Ability to deliver full work programme and financial pressures on highway revenue budgets	Open	Financial Loss/Gain	Deliver less in the capital programme Increase budgets review statutory delivery	1	3	3	Minor	1000000	Cautious	No	£100,000.00
Delay to procurement	Delay to procurement	Legal challenges, resources	Delay in procuring the contracts, possibly affecting service delivery	Open	Programme/Project Management	Procurement process starting early	1	3	3	Minor	10000	Open	No	£1,000.00
									0	FALSE		FALSE	#N/A	£0.00
									0	FALSE		FALSE	#N/A	£0.00
									0	FALSE		FALSE	#N/A	£0.00
									0	FALSE		FALSE	#N/A	£0.00
									0	FALSE		FALSE	#N/A	£0.00

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Opportunity Risks											Updates Automatically	Updates Automatically
Opportunity Risk Title	Risk Risk Description	Key Causes	Key Consequence	Status Open / Closed	Risk Category	Key Mitigations	Current Risk Level				Monetary Impact of Risk	Financial Opportunity Exposure
							Likelihood	Impact	Risk Rating	Risk Level	£k	
<i>Example - Opportunity risk that new ways of working causes efficiency cost savings</i>	<i>EXAMPLE - There is an opportunity risk that the successful implementation of the proposed new way of working leads to significant cost savings</i>	<i>Implementation of new way of working</i>	<i>Improved ways of working could lead to efficiencies and cost savings</i>	<i>Open</i>	<i>Financial Loss/Gain</i>	<i>Guidance: Enhance: Seek to increase the likelihood and/or the impact of the opportunity in order to maximise the benefit. Ignore: Minor opportunities can be ignored, by adopting a reactive approach without taking any explicit actions. Share: Find a partner/stakeholder to manage the opportunity, which can maximise the likelihood of it happening and increase the potential benefits Exploit: Find a way to make the opportunity definitely happen. Aggressive measures to ensure the benefits from the opportunity are realized.</i>	<i>4</i>	<i>5</i>	<i>20</i>	<i>High</i>	<i>£100,000</i>	<i>£87,500.00</i>
Carbon	Carbon reduction measures included in contracts	Implementation of new way of working	Improved ways of working could lead to carbon savings	Open	Environmental	seek to increase the likelihood through the inclusion of carbon reduction savings in the quality questions and KPIS	2	1	2	Minor	10000	£3,000.00
Social value	Delivering community benefits through social value	Implementation of new way of working	Social value benefits through the contracts	Open	Communities	Weighted social value in tender submissions to include benefits for the community	2	1	2	Minor	1000	£300.00
								0	FALSE		£0.00	
								0	FALSE		£0.00	
								0	FALSE		£0.00	
								0	FALSE		£0.00	
								0	FALSE		£0.00	
								0	FALSE		£0.00	

£3,300.00

Threat Risks	
Number of Open Risks	3
CRITICAL	0
HIGH	0
MEDIUM	1
LOW	0
Cost Risk Exposure	£1,601,000.00
Number of risks exceeding risk appetite	0
Number of risks within risk appetite	3

Opportunity Risks	
Number of Open Risks	2
SIGNIFICANT	0
HIGH	0
MEDIUM	0
LOW	0
Cost Opportunity Exposure	£3,300.00

LIKELIHOOD AND IMPACT RISK RATING SCORING CRITERIA

Likelihood Guidance

Likelihood	Likelihood Ratings 1 to 4			
	1	2	3	4
Description	Might happen on rare occasions.	Will possibly happen, possibly on several occasions.	Will probably happen, possibly at regular intervals.	Likely to happen, possibly frequently.
Numerical Likelihood	Less than 10%	Less than 50%	50% or more	75% or more

Severity of Impact Guidance (Risk to be assessed against all of the Categories, and the highest score used in the matrix).

Impact Category	Impact Levels 1 to 7			
	1	3	5	7
Service provision	Very limited effect (positive or negative) on service provision. Impact can be managed within normal working arrangements.	Noticeable and significant effect (positive or negative) on service provision. Effect may require some additional resource, but manageable in a reasonable time frame.	Severe effect on service provision or a Corporate Strategic Plan priority area. Effect may require considerable /additional resource but will not require a major strategy change.	Extremely severe service disruption. Significant customer opposition. Legal action. Effect could not be managed within a reasonable time frame or by a short-term allocation of resources and may require major strategy changes. The Council risks 'special measures'. Officer / Member forced to resign.
Communities	Minimal impact on community.	Noticeable (positive or negative) impact on the community or a more manageable impact on a smaller number of vulnerable groups / individuals which is not likely to last more than six months.	A more severe but manageable impact (positive or negative) on a significant number of vulnerable groups / individuals which is not likely to last more than twelve months.	A lasting and noticeable impact on a significant number of vulnerable groups / individuals.
Environmental	No effect (positive or negative) on the natural and built environment.	Short term effect (positive or negative) on the natural and or built environment.	Serious local discharge of pollutant or source of community annoyance that requires remedial action.	Lasting effect on the natural and or built environment.
Financial Loss / Gain	Under £0.5m	Between £0.5m - £3m	Between £3m - £5m	More than £5m
Fraud & Corruption Loss	Under £50k	Between £50k - £100k	Between £100k - £1m	More than £1m
Legal	No significant legal implications or action is anticipated.	Tribunal / BCC legal team involvement required (potential for claim).	Criminal prosecution anticipated and / or civil litigation.	Criminal prosecution anticipated and or civil litigation (> 1 person).
Personal Safety	Minor injury to citizens or colleagues.	Significant injury or ill health of citizens or colleagues causing short-term disability / absence from work.	Major injury or ill health of citizens or colleagues may result in. long term disability / absence from work.	Death of citizen(s) or colleague(s). Significant long-term disability / absence from work.
Programme / Project Management <i>(Including developing commercial enterprises)</i>	Minor delays and/or budget overspend but can be brought back on schedule with this project stage. No threat to delivery of the project on time and to budget and no threat to identified benefits / outcomes.	Slippage causes significant delay to delivery of key project milestones, and/or budget overspends. No threat to overall delivery of the project and the identified benefits / outcomes.	Slippage causes significant delay to delivery of key project milestones; and/or major budget overspends. Major threat to delivery of the project on time and to budget, and achievement of one or more benefits / outcomes.	Significant issues threaten delivery of the entire project. Could lead to project being cancelled or put on hold.
Reputation	Minimal and transient loss of public or partner trust. Contained within the individual service.	Significant public or partner interest although limited potential for enhancement of, or damage to, reputation. Dissatisfaction reported through council complaints procedure but contained within the council. Local MP involvement. Some local media/social media interest.	Serious potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council. Dissatisfaction regularly reported through council complaints procedure. Higher levels of local or national interest. Higher levels of local media / social media interest.	Highly significant potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council. Intense local, national and potentially international media attention. Viral social media or online pick-up. Public enquiry or poor external assessor report.