

North Tyneside Council - Corporate Project Management Framework - Risk Log



North Tyneside Council

Project Title:	CEI Business & Technical Packages Procurement
Project Manager:	Katy Middleton
Date Log Initiated:	18.10.11
Version:	27.07.12

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RISK DEFINITION / DESCRIPTION				CURRENT RISK SCORE			RISK ACTION PLAN				ACTIONS			TARGET SCORE			Comments
Risk No.	Risk Area	Risk Description	Consequence	Risk Likelihood A - F	Risk Impact I - IV	Risk Score	Owner	Control	By Who	By When	Status	Risk Likelihood A - F	Risk Impact I - IV	Risk Score			
001	Technical	NEPO portal is not fit for purpose as a data room for competitive dialogue.	Unable to run the process electronically via the portal & have to result in a paper process. If external advisors are employed at a later stage, they will not be able to access the portal.	D	3	D3	Andrew Lowe	Configure the portal around the competitive dialogue process.	Mike Forrest		Closed	E	3	E3	31.01.12 Portal configured running as expected. Leave risk open until two way requests for information are successfully exchanged during the process. 07.06.12 Risk closed. System fully operational.		
002	Resources	Solely using a relatively inexperienced internal team to implement such a large scale change.	No detailed knowledge of the market or what deal is viable with suppliers. Any of the procurement documents (eg. OJEU, service specs) may not result in what the Council is looking for. Timeline is not met. Savings are not met. Service performance declines.	C	1	C1	Fiona Rooney	Project team members have transferable expertise from other relevant projects and similar implementations (eg. Legal & Finance on the Kier project). Specialist external help can be drawn on from existing budgets if it is required (this could be at OJEU, contract/vires checks, tax advice, pensions advice).	Katy Middleton		Closed	D	2	D2	07.06.12 The procurement is 7 months into the process with external help only being sought for specialist pensions advice. Currently at detailed solutions stage and due to determine preferred bidder by 31 July. 17.07.12 External pensions advisor still supporting the team during dialogue and the iterations of bids. Final bids due in 27th July. 27.07.12 Final bids in. Team are experienced in finalising the contract and achieving financial close. Risk closed.		
003	Financial	The front loading of the CEI target does not align to the procurement timeline of when savings will materialise.	Savings not achieved in accordance with the CEI profile.	B	2	B2	Jon Ritchie	This is a programme risk being controlled across the CEI programme by SLT/CEI Board.	Jon Ritchie		Open	C	2	C2	17.07.12 Refined solutions from bidders acknowledge that the timeline and savings targets are achievable.		
004	Stakeholder	The language used is partnering whereas in legal terms, this is an outsourcing.	Stakeholders or suppliers are unclear about what we trying to achieve.	C	3	C3	Katy Middleton	Stakeholders are more comfortable this is a partnership and more than just a straight outsourcing. Katy Middleton coordinating all comms in relation to the packages and how they feed into the overall CEI messages to ensure consistency.	Katy Middleton		Open	D	3	D3	07.06.12 Feedback from the Stakeholder events on 14th & 21st May suggests that there is an understanding of what these partnerships are and what they are trying to achieve.		
005	Managerial	Some remaining support functions may cease to be needed once the contract comes into play.	Reduction in demand for other support services. Increased savings targets for impacted services.	B	3	B3	Graham Haywood	Downsize these areas as we travel. Graham Haywood/Jackie Laughton leading on the restructure of the Corporate Core.	Jackie Laughton		Open	C	3	C3	31.01.12 This is less of a risk and more of a knock on deliverable of downsizing.		
006	Political	Call in of the decisions to procure/implement/transfer	Project does not have political support to continue to implementation. Savings and partnering objectives are not achieved.	C	2	C2	Fiona Rooney	Agreements in principle then approval to proceed with procurement All political groups involved in study visits to other authorities Updates included in the overall CEI/Council Plan reporting to keep members up to speed with progress Offer briefings to all political groups ahead of Cabinet	Graham Haywood/ Fiona Rooney		Open	C	2	C2	Cabinet gave approval to procure in November 2011. Actuarial assessments have been requested to ensure that all costs are factored into the budget discussions. Counsel clarified that the decision rests with Cabinet although the report will also be taken to O&S.		
007	Legal	Taking only 2 bidders to ISOS stage	If one bidder withdrew, the competitive dialogue process could not continue.	D	3	D3	Graham Haywood	Bring one of the unsuccessful bidders back online should this happen. ISOS is a significant expense for them, need to balance with the likelihood of this happening.	Mike Forrest		Open	D	3	D3	This risk has the benefit of keeping bidder costs down. 07.06.12 Reduced to low risk. At detailed solutions the process could still legally continue with one		
008	Project	The partner does not invest in services to the level required by the Council.	One of the objectives of partnering is not met. Impact on the other 5 objectives being achieved. Council reputation.	D	1	D1	Fiona Rooney	Feedback from soft market testing (Supplier days 10/14 Nov 2011 & market questionnaires) suggest the objectives are viable as a package. Bidders will balance the level of each objective they are able to deliver and this will emerge during the dialogue process. Once agreed, the contract and payment mechanism will ensure that the objectives are delivered.	Graham Haywood/ Fiona Rooney		Open	D	1	D1	This risk cannot be accurately scored until the ,market view is known about the package viability. 07.06.12 Dialogue suggests that the objectives are feasible although risk will remain until the final tenders are in. 17.07.12 Bidder refined solutions confirm the objectives can be delivered. Leave risk open until the contract is drafted and signed with these captured.		
009	Project	Jobs of the staff transferring to the partner organisation are not protected.	One of the objectives of partnering is not met. Impact on the other 5 objectives being achieved. Council reputation.	D	1	D1	Fiona Rooney	Feedback from soft market testing (Supplier days 10/14 Nov 2011 & market questionnaires) suggest the objectives are viable as a package. Bidders will balance the level of each objective they are able to deliver and this will emerge during the dialogue process. Once agreed, the contract and payment mechanism will ensure that the objectives are delivered.	Graham Haywood/ Fiona Rooney		Open	D	1	D1	This risk cannot be accurately scored until the ,market view is known about the package viability. 07.06.12 Dialogue suggests that the objectives are feasible although risk will remain until the final tenders are in. 17.07.12 Bidder refined solutions confirm the objectives can be delivered. Leave risk open until the contract is drafted and signed with these captured.		

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010	Project	The business does not continue to grow and the number, type or location of additional jobs envisaged are not created.	One of the objectives of partnering is not met. Impact on the other 5 objectives being achieved. Council reputation.	D	1	D1	Fiona Rooney	Feedback from soft market testing (Supplier days 10/14 Nov 2011 & market questionnaires) suggest the objectives are viable as a package. Bidders will balance the level of each objective they are able to deliver and this will emerge during the dialogue process. Once agreed, the contract and payment mechanism will ensure that the objectives are delivered.	Graham Haywood/ Fiona Rooney		Open	D	1	D1	This risk cannot be accurately scored until the market view is known about the package viability. 07.06.12 Dialogue suggests that the objectives are feasible although risk will remain until the final tenders are in. 17.07.12 Bidder refined solutions confirm the objectives can be delivered. Leave risk open until the contract is drafted and signed with these captured.	
011	Project	The level of savings are not delivered or not within the timeline anticipated.	One of the objectives of partnering is not met. Impact on the other 5 objectives being achieved. Council reputation.	D	1	D1	Fiona Rooney	Feedback from soft market testing (Supplier days 10/14 Nov 2011 & market questionnaires) suggest the objectives are viable as a package. Bidders will balance the level of each objective they are able to deliver and this will emerge during the dialogue process. Once agreed, the contract and payment mechanism will ensure that the objectives are delivered.	Graham Haywood/ Fiona Rooney		Open	D	1	D1	This risk cannot be accurately scored until the market view is known about the package viability. 07.06.12 Dialogue suggests that the objectives are feasible although risk will remain until the final tenders are in. 17.07.12 Bidder refined solutions confirm the objectives can be delivered. Leave risk open until the contract is drafted and signed with these captured.	
012	Project	Services transferred do not show an improvement in performance.	One of the objectives of partnering is not met. Impact on the other 5 objectives being achieved. Council reputation.	D	1	D1	Fiona Rooney	Feedback from soft market testing (Supplier days 10/14 Nov 2011 & market questionnaires) suggest the objectives are viable as a package. Bidders will balance the level of each objective they are able to deliver and this will emerge during the dialogue process. Once agreed, the contract and payment mechanism will ensure that the objectives are delivered.	Graham Haywood/ Fiona Rooney		Open	D	1	D1	This risk cannot be accurately scored until the market view is known about the package viability. 07.06.12 Dialogue suggests that the objectives are feasible although risk will remain until the final tenders are in. 17.07.12 Bidder refined solutions confirm the objectives can be delivered. Leave risk open until the contract is drafted and signed with these captured.	
013	Financial	Costs of the transfer or overheads are prohibitive (eg. pension costs).	Savings will not be met.	C	1	C1	Jon Ritchie	Overhanging Overheads is a project in its own right being led by Jon Ritchie to ensure this is not an issue (project B6). Early meetings with the T&W Pension Fund to establish the detail of pension costs. Actuarial assessment requested to quantify employer rates.	Jon Ritchie		Open	C	1	C1	31.01.12 No change to risk score until actuarial reports are received. 07.06.12 Actuarial reports show the employer contribution rate would be higher with the partner. Bidders will factor these costs into their overall bid balanced with the six partnering objectives. Meeting arranged with Phil Scott 12.06.12 to discuss transport overhead. 17.07.12 Contribution rates factored into the overall bidder prices. Leave risk open until contract is finalised.	
014	Competitive	Market saturation as other Councils undertake similar exercises in the financial climate	Reduced supplier interest as they cherry pick the most financially viable deals. Council does not achieve the savings or partnering objectives.	D	1	D1	Graham Haywood	Market testing suggested the interest was there and 7 companies have submitted a PQQ for each package.	Katy Middleton		Closed	D	2	D2	31.01.12 Leave risk open, there is still the risk that bidders could withdraw if there are more profitable partnerships for them with other Councils. Risk score reduced as NTCs timeline is ahead of others. 07.06.12 Potential for this risk to be closed. Left open until the end of the process as there always the possibility of all bidders withdrawing. 27.07.12 Two final bids received for each package. Risk closed.	
015	Resources	Project team members are supporting other CEI projects and redundancy work across the Council	Procurement deadlines in the competitive dialogue process cannot be met. Confidence of the market is lost and bidders withdraw. Council does not get the best deal.	B	2	B2	Fiona Rooney	Clear procurement timeline shared with the full team. Overview of the process and critical decision points to be discussed with Sponsor 03.02.12. Weekly meetings with Package Leads and their Subject Matter Experts to ensure that everyone understands their tasks and the deadlines required.	Katy Middleton		Open	C	2	C2	27.07.12 Final bids in. Risk remains open as the capacity of the internal team will transfer across to the implementation risk log.	
016	Political	Other political groups could submit alternative budgets.	Withdrawal of political support.	B	1	B1	Fiona Rooney				Closed				07.06.12 Risk closed as budget setting now resolved.	
017	Competitive	The market is not willing to take the risks associated with the packages (eg. that Schools continue to buy back office services).	Lack of market interest. Savings/ partnering objectives cannot be met.	D	2	D2	Fiona Rooney	Buy back arrangements will be discussed during the dialogue process as these will come at a cost.	Jon Ritchie/ Derek Smith		Open	E	2	E2	07.06.12 Risk score reduced as bidders fully aware of the risks to their ongoing business following dialogue. They will factor this into their offer. 27.07.12 Final bids in which deal with the risks which will be discussed during the preferred bidder stage. Leave risk open until contract signed.	
018	Contractual	The drafting of detailed legal documents after preferred bidder stage.	Preferred bidder could withdraw some of the detailed deliverables discussed during dialogue that the Council is counting on.	C	2	C2	Sarah Heslop/ Stephen Greenway	Flexibility of the partner is key to the partnerships success. Also a focus on outcomes not outputs and inputs.			Open	E	2	E2	31.01.12 Unlikely risk given the level of investment the bidders will put into the process.	

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019	Legal	Legal challenge regarding the process followed.	Could result in damages or the need to re-procure.	E	2	E2	Sarah Heslop/ Stephen Greenway	Legal challenge would most likely be procedural and the Council is following the Competitive Dialogue EU procurement route. If a legal challenge was found to be valid, the Council could choose to pay damages or re-procure (depending on the costs of each of these).	Sarah Heslop/ Stephen Greenway		Open	E	2	E2			
020	Legal	There are significant changes proposed to the LGPS which would make it mandatory for the partner to have an indemnity/bond at a level assessed by the actuary (NTC could not agree to reduce this).	Reduction in savings.	C	2	C2	Fiona Rooney	Consultation ends on 27th February 2012 and the changes would come into force in 2012.	Katy Middleton		Open	C	2	C2	31.01.12 This would impact on any outsourcing or alternative delivery models for any Council. 17.07.12 The bond requirement has been discussed with bidders in dialogue which they will price in. Leave risk open until after preferred bidder stage/contract signed.		
021	Legal	Variant bids (eg. one bid for both lots) are only possible where an organisation has submitted a winning standard bid within each lot individually.	Could reduce the likelihood of getting even better economies of scale across a single package.	C	3	C3	Sarah Heslop/ Stephen Greenway	This risk is inherent with the process we have followed otherwise we'd be open to challenge for awarding a contract to an organisation which didn't make it onto the PQQ long list. Following the market testing in November 2011, SLT took the decision to retain as two separate packages not one lot.	Sarah Heslop/ Stephen Greenway		Closed	C	3	C3	27.07.12 Risk closed. No variant bids were submitted.		
022	Technical	The technical bidders are unable to propose legally viable means of a third party delivering some of the technical package services with statutory responsibilities.	Alternative savings would need to be found within these service areas. Significant redundancies. Unsustainable business owing to lack of capacity/loss of skills.	C	3	C3	Ken Wilson/ Derek Smith	The market gave positive feedback at the partner day in November 2011. Whether this is viable will emerge in the dialogue discussions.	Derek Smith		Open	C	3	C3	08.02.12 Risk impact assessed as marginal as would not impact the whole package. 07.06.12 Statutory functions discussed in dialogue. Bidders to propose secondment models. 27.07.12 Final bids include secondment models for the statutory function roles. Risk will transfer onto the implementation risk log and remain open until staff have TUPEd/seconded.		
023	Managerial	Adverse impact on Business Continuity and/or Emergency Planning.	Performance of these services dips. Other Council services cannot operate. Councils Emergency Planning response fails.	C	2	C2	Fiona Rooney/ Ken Wilson	Service plans have been shared with bidders so they can understand how the business currently operates. Each round of dialogue includes service delivery discussions to work through this. Each bidder is clear that they need to deliver current service levels before implementing any change or improvement.	Jon Ritchie/ Derek Smith		Open	C	2	C2	27.07.12 Business continuity and emergency planning has been discussed with bidders in dialogue. Will be taken forward during mobilisation with the preferred bidders.		
024	Project Management	No project assurance role independent of the Project Manager or Project Sponsors.	No assurance independent of the Project Manager or Sponsors that progress is going as well as is reported.	D	3	D3	Graham Haywood	Progress is reported to the Theme B Board, CEI programme Board, and O&S.	Katy Middleton		Open	D	3	D3	26.03.12 Views sought from Risk Manager on how we might introduce an assurance role if it is required.		
025	Stakeholder	Arrangements made with external providers may not allow the flexibility needed by Strategic Services to obtain relevant data as and when required to provide assurance that sufficient progress is being made against targets and objectives.	Unable to produce performance reports for Cabinet and Council. Unable to ascertain if there is continuous performance. Unable to identify hotspots that scrutiny committees may wish to review.	D	3	D3	Alison Stanners	Bidders are clear that they need to deliver current service levels before implementing any change or improvement. Governance will be in place that require the partner to report performance to similar arrangements to the KierNT partnership (eg. OPB/SPB). Managers of the services in scope currently feed into the Councils performance arrangements. They have also determined the performance indicators and KPIs that will be required under the partnerships.	Jon Ritchie/ Derek Smith		Open	D	3	D3	22.03.12 This is a Corporate risk logged in relation to the packages. 27.07.12 Governance arrangements have been discussed in dialogue and will be taken forward during mobilisation with the preferred bidder. See controls in place.		