

AYRSHIRE SHARED SERVICE JOINT COMMITTEE

14 JUNE 2019

AYRSHIRE ROADS ALLIANCE RISK REPORT AND REGISTER

Report by the Head of Roads - Ayrshire Roads Alliance

PURPOSE OF REPORT

1. The purpose of this Report is to advise the Joint Committee on the management of risk associated with the Ayrshire Roads Alliance.

BACKGROUND

2. A report detailing the general approach to the Risk Report and Risk Register was presented to the Joint Committee on 21 August 2014, where it was agreed that the Risk Report and Risk Register would be a standing item on the agenda. This would ensure that the risks are monitored and scrutinised at a minimum of a quarterly basis.

MAIN REPORT/MAIN ISSUES

3. The management of risk aims to enable confident decision making on risk and innovation, reduce waste and inefficiency, and lead to fewer unanticipated problems and crises that could undermine the performance and operation of the Ayrshire Roads Alliance.

4. The risk register is contained in Appendix 2.

The following risks have been updated since the last Joint Committee Report.

Risk 5 – Adverse weather. As requested at the previous Joint Committee meeting, this risk now includes forest and moorland fires. The residual risk has not been amended.

Risk 10 – Failure to provide an adequate Roads Inspection System. This has been amended to reflect the new Inspection Manual based on the Well Managed Highway Infrastructure Code of Practice which commenced on 1 April 2019. The residual risk has not been amended.

Risk 12 - Business Continuity/Emergency Planning. The Ayrshire Roads Alliance continues to engage with Transport Scotland to take account of the potential impact of the United Kingdom exit from the European Union. The narrative has been amended to reflect the specific impacts on the transport network including the A77 and A76; and the ScotRail network. The residual risk has not been amended.

- 5 The revised risk register illustrates the red, amber and green status using a new key, and also illustrates whether the risk severity relates to time, indicated by [T] or cost, indicated by [C].

POLICY/COMMUNITY PLAN IMPLICATIONS

- 6 A well maintained road network will contribute to achieving the Community Plan objectives in relation to Economy & Skills and Safer Communities to maintain good access to our communities within East Ayrshire.
- 7 The matters referred to in this report contribute to South Ayrshire Council strategic objective of 'Enhanced Environment through Social, Cultural and Economic Activities' and within that to the outcome 'Work with partners to improve roads and other infrastructure, to encourage house building and business investment that sustains local communities'.

LEGAL IMPLICATIONS

- 8 The Risk Register is a management tool and this will not replace the existing statutory returns for risk and performance related information.

HUMAN RESOURCES IMPLICATIONS

- 9 The Risk Register has no direct impact on human resources.

EQUALITY IMPACT IMPLICATIONS

- 10 The Risk Register complements the Equality Impact Assessment by ensuring that any issues arising are adequately prioritised, managed and either eliminated or mitigated.

FINANCIAL IMPLICATIONS

- 11 The Risk Register facilitates the existing scrutiny arrangements to manage, prioritise, and review the budget provided by East Ayrshire Council and South Ayrshire Council to the Ayrshire Roads Alliance.

RISK IMPLICATIONS

- 12 The Risk Register assists in the prioritisation of risks that need to be mitigated by the Ayrshire Roads Alliance in order to reduce the overall risk to either Council and to comply with the Community Plan/Council Plan in both partner bodies.

TRANSFORMATION STRATEGY

- 13 This report aligns with the following design principle stated in the Transformation Strategy 2017-2022 by maximising value for our communities by ensuring risk is well managed.

RECOMMENDATIONS

- 14 It is recommended that the Joint Committee:
- i Notes the risk register presented in this report;
 - ii Continues to receive updates on progress; and
 - iii Otherwise, notes the content of the report.

Stewart Turner
Head of Roads – Ayrshire Roads Alliance
22 May 2019

APPENDICES

1. Risk Register Scoring Matrix
2. Ayrshire Roads Alliance Risk Register

Background papers

None

Members requiring further information should contact Stewart Turner, Head of Roads – Ayrshire Roads Alliance on 01563 503164, or at stewart.turner@ayrshireroadsalliance.org

Appendix 1: Risk Register Scoring Matrix

The Risk Matrix for deciding each of the risk factors (Likelihood x Severity) in a 5 by 5 matrix are illustrated in Table 1 below:

Table 1: Risk Factors in Practical Form

		Risk Likelihood				
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Risk Severity	Catastrophic (5)	! 5	! 10	✘ 15	✘ 20	✘ 25
	Very Serious (4)	✓ 4	! 8	! 12	✘ 16	✘ 20
	Moderate (3)	✓ 3	! 6	! 9	! 12	✘ 15
	Minor (2)	✓ 2	✓ 4	! 6	! 8	! 10
	Insignificant (1)	✓ 1	✓ 2	✓ 3	✓ 4	! 5

Following on from Table 1, the following Summary Risk Profile is colour coded to highlight the risk classification:

Table 2: Summary Risk Profile

Assessed Risk (LxS)	Action Required
Low Risk: 1 to 4	Acceptable/ can be accepted provided risk is managed.
Medium Risk: 5 to 12	Undesirable/ must be avoided if reasonably practicable.
High Risk: 15 to 25	Unacceptable risk - must be eliminated or moved to a lower level.

APPENDIX 2: AYRSHIRE ROADS ALLIANCE RISK REGISTER

KEY	
RED	X
AMBER	!
GREEN	✓

Probability (Likelihood)			
Value	Scale	Typical Range	
		Min	Max
1	Rare	0%	25%
2	Unlikely	26%	45%
3	Possible	46%	65%
4	Likely	66%	85%
5	Almost Certain	86%	100%

Severity (Liability, Impact)					
Value	Scale	Cost (£)		Time	
		Min	Max	Min	Max
1	Insignificant	£0	£100,000	0	1 week
2	Minor	£100,001	£500,000	1 week	2 weeks
3	Moderate	£500,001	£500,000	2 weeks	1 month
4	Very Serious	£500,001	£1,000,000	1 month	6 months
5	Catastrophic	£1,000,001		6 months	

RISK ID	RISK CATEGORY	DESCRIPTION	LIKELIHOOD	IMPACT	INHERENT RISK	PROXIMITY	RISK RESPONSE	ACTION TAKEN TO MITIGATE RISK	LIKELIHOOD	IMPACT	RESIDUAL RISK	RISK OWNER	DATE OF LAST REVIEW	ADDITIONAL COMMENTS		
1	Street Lighting & Traffic Signals	Extended loss of Public Electricity supply creating issues with Street Lighting and Traffic Signals.	2	5 [T]	10 !	AMBER	<3 yrs	Risk Mitigation	Some temporary traffic signals may be provided at key locations determined by the Traffic Management Section should these issues arise. Temporary traffic signals deployed by RMU. Contingency measures detailed in Business Continuity Plans.	2	3 [T]	6 !	AMBER	Head of Roads – Ayrshire Roads Alliance	20/5/19	We consider that the overall risk is medium due to the mitigation measures that could be put in place.
2	Fuel Shortage	Loss or restriction due to relief events. Relief Event: Any event that has an effect on the cost of performing the Services, or the date of their completion, including the occurrence of risks both foreseen and unforeseen e.g. industrial action.	2	5 [T]	10 !	AMBER	< 3 yrs	Risk Mitigation	Mitigation measures would be put in place to prioritise front line services as detailed in the specific Business Continuity Plans for office, depot, and harbour, as applicable.	2	4 [T]	8 !	AMBER	Head of Roads – Ayrshire Roads Alliance	20/5/19	Continuation of public support will be dependent on outcomes, though expect some mixed reaction.
3	Failure to align with Budget requirements	Level of investment required in road repairs and resurfacing and resulting cost of treatment higher than anticipated. Reduced budget could lead to the deterioration in the roads network, an increase in accidents, and insurance costs.	3	5 [C]	15 X	RED	< 3 yrs	Risk Mitigation	Introduction of a uniform claims handling system aligned with the uniform Roads Inspection and Maintenance policy implemented on 1 st April 2015. Appropriate financial and performance monitoring arrangements are in place to mitigate the risk. Regular meetings with and within partners Councils to advice on further resource and funding requirements.	3	3 [C]	9 !	AMBER	Head of Roads – Ayrshire Roads Alliance	20/5/19	Adequate control measures are in place, specifically, monthly meetings held with budget holders to review revenue budget and take appropriate corrective actions to bring budgets within tolerance limits. Monthly meeting with service managers to review capital budgets and programmes.
4	Transfer of Shared Services – Ayrshire Roads Alliance	Any failure in Service provision would adversely affect the resilience of the Roads services.	3	3 (T)	9 !	AMBER	< 3 yrs	Risk Mitigation	Extensive negotiations have taken place to ensure that the proposed joint service meets stakeholders needs	2	2 (T)	4 !	GREEN	Head of Roads – Ayrshire Roads Alliance	20/5/19	The new service is over four years old and it is considered that the initial transfer of the shared service has been completed. Nevertheless there will always remain issues on transfer issues which may still arise.

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5	Adverse Weather	Winter, flooding, high winds, impact of forest/moorland fires and their impact on road conditions. Risk of adverse impact on overall reduction of network and infrastructure, with potential for additional maintenance and repairs costs.	5	5 [C]	25 X	RED	< 3 yrs	Risk Mitigation	Robust and test measures exist for the most likely weather events. Ensure sufficient contingency within Road Maintenance Unit for ancillary safety inspections and repairs. Identify potentially areas prone to flooding and make provision for stockpiles of sandbags as flood barrier for distribution or collection by homeowners/occupiers, subject to available resources & sufficient advanced warning from the weather forecasts.	3	5 [C]	15 X	RED	Head of Roads – Ayrshire Roads Alliance	20/5/19	It is not possible to forecast where these conditions will occur, and therefore we are unable to reduce the likelihood of such events occurring. We will however use our best endeavours to minimise the impact of these events e.g. through enabling increased community resilience.
6	Adverse Weather	Reduction and /or loss of salt stock materials for Winter Service operations.	5	5 [T]	25 X	RED	< 3 yrs	Risk Mitigation	There is adequate salt stock resilience and conservation control measures. Transport Scotland has strategic salt stock piles.	1	5 [T]	5 !	AMBER	Head of Roads – Ayrshire Roads Alliance	20/5/19	The Service has a framework salt supplier with a 14 day call down delivery. There is a joint agreement with other Councils to share available salt stocks. The existing weather service provides long term forecast indicating extreme and prolonged weather conditions.
7	Adverse Weather	Lack of trained and competent personnel including operatives and drivers to provide full complement required to fulfil all gritting routes due to lack of volunteers for existing staff, flu pandemic, mass resignation, strike action and breach of Working Time Directive and Driver Hours Legislation.	4	5 [T]	20 X	RED	< 3 yrs	Risk Mitigation	Procedures are in place to manage a short / medium disruption of Driver / Operative Personnel including banking workers and overtime working as required. Over the long term there would be recruitment / procurement of the necessary experience to fill the gaps.	2	4 [T]	8 !	AMBER	Head of Roads – Ayrshire Roads Alliance	20/5/19	Rolling programme established to ensure ongoing Health and Safety training. Appropriate and applicable checks are conducted on all new drivers to ensure that all reasonable precautions are taken to safeguard the 'O' licence, insurance payments and reputation. The service has extended the use of external companies to provide the winter service to increase resilience
8	Personnel Shortage	Loss of trained and competent personnel including operatives and drivers due to flu pandemic, mass resignation, strike action and breach of Working Time Directive and Driver Hours Legislation	5	5 [T]	25 X	RED	< 3 yrs	Risk Mitigation	Procedures are in place to manage a short / medium disruption of Technical / Supervisory Personnel including re-assignment of duties and overtime working as required. Over long term there would be recruitment / procurement of the necessary experience to fill the gaps.	1	4 [T]	4 ✓	GREEN	Head of Roads – Ayrshire Roads Alliance	20/5/19	We consider overall risk is low due to a combination of recruitment and selection to fill existing vacancies. In addition there is increased resilience from the external service providers for winter

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9	Council's Waste Transfer Licence	Loss of / restrictions on waste transfer licence for all depots	3	3 [C]	9	AMBER	< 3 yrs	Risk Mitigation	Robust management systems and procedures in place to comply with Environmental legislation, permit conditions and health and safety	1	3 [C]	3	GREEN ✓	Head of Roads – Ayrshire Roads Alliance	20/5/19	We consider the overall risk is low, due to the current waste management systems in operation.
10	Failure to provide an adequate Roads Inspection System	Failure to provide an adequate Risk based approach and Inspection System in accordance with the approved, Inspection Manual: Road Safety Inspections and defect categorisations in accordance with the Well-Managed Highway Infrastructure: A Code of Practice.	2	5 [C]	10	AMBER	< 3 yrs	Risk Retention	There are procedures in place to manage this process: <ol style="list-style-type: none"> 1. Short term by prioritising and reducing other works activities and realigning budgets; 2. Medium / long term there would be a request for additional budgets; 3. Operatives can be assigned from other duties and overtime working approved. 	2	4 [C]	8	AMBER	Head of Roads – Ayrshire Roads Alliance	20/05/19	Following implementation of the Inspection Manual: Road Safety Inspections and defect categorisations from 1 April 2019 in accordance with the Well-Managed Highway Infrastructure: A Code of Practice the Ayrshire Roads Alliance the following actions are undertaken <ol style="list-style-type: none"> a) Inspects the entire road network within East Ayrshire and South Ayrshire, with performance measured in relation to the percentage of safety inspections carried out within the timescale being reported to the Joint Committee under the Performance Scorecard standing item on the agenda. b) Categorise defects in accordance with a risk based approach ranking defects one to four as detailed in the Inspection Manual: Road Safety Inspections and defect categorisations c) Issue repair lines for defects on carriageways and footways with target response times determined by the category of defect, as identified in the Inspection Manual: Road Safety Inspections and defect categorisations d) Complete the vast majority of Category 1 defects within the target response time of two hours.

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11	Personnel Shortage	Loss of trained and competent professional staff, through retirement.	3	3 [T]	9 !	AMBER	< 3 yrs	Risk prevention	Procedures are in place to manage short term issues by prioritising and reducing other works activities and realigning budgets.	3	3 [T]	9 !	AMBER	Head of Roads – Ayrshire Roads Alliance	20/5/19	The staff numbers are reviewed whenever there are significant changes in staffing level. The Ayrshire Roads Alliance has Modern Apprentices who are providing a strong foundation for future staffing levels.
12	Business Continuity / Emergency Planning	Incident affecting one or more of the Ayrshire Roads Alliance service functions (including ICT Failure).	2	5 [T]	10 !	AMBER	< 3 yrs	Risk Retention	Development of business continuity plans for Roads Maintenance (including the Winter Gritting Programme); Lighting Maintenance Unit; Network; Design and Traffic and Road Safety facilities within East Ayrshire and South Ayrshire. In addition the Ayrshire Roads Alliance continues to engage with Transport Scotland to take account of the potential impact of the United Kingdom exit from the European Union on the transport network including the A77 and A76; plus the ScotRail network.	2	5 [T]	10 !	AMBER	Head of Roads – Ayrshire Roads Alliance	20/5/19	The overall risk is high due to the unknown nature of such an incident and because of the potential reputational damage and adverse effect on the service delivery, including discharge of statutory responsibilities.
13	Benefits Realisation	Ayrshire Roads Alliance does not deliver the expected benefits outlined in the Detailed Business Case of June 2013.	2	5 [C]	10 !	AMBER	4 to 10 yrs	Risk Mitigation	Benefit Realisation Plan to track the delivery of each benefit and take corrective action where appropriate it has been developed.	2	3 [C]	6 !	AMBER	Senior Management Team	20/5/19	The overall risk is medium due to the various reviews outlined in the Benefits Realisation Strategy and Plan now progressing towards fruition. Internal management reports to be prepared reflecting on progress against Benefits Realisation Strategy. As at 1 April 2018 had realised budget savings of £2.031m against a target of £1.510m
14	Performance	Performance Metrics are missed.	2	5 [C]	10 !	AMBER	< 3 yrs	Risk Retention	A Performance Scorecard has been developed which has been communicated to all staff and stakeholders and is used to monitor performance and take appropriate corrective action.	2	5 [C]	10 !	AMBER	Senior Management Team	20/5/19	Performance metrics are reviewed and developed with the Pentana system being used to review performance. Performance is reviewed at every Management Meeting.
15	Transfer to Shared Services – Ayrshire Roads Alliance	Ayrshire Roads Alliance cannot get partners to agree and follow standardised processes.	2	5 [T]	10 !	AMBER	< 3 yrs	Risk Retention	A standardised operational process and procedures has been developed to ensure efficient and effective processes and verification measures are in place.	1	4 [T]	4 !	GREEN	Senior Management Team	20/5/19	To date all developed procedures have been standardised across the Alliance, but further development is in hand.

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16	Procurement	Insufficient due diligence carried out by the Ayrshire Roads Alliance in the procurement of goods and services.	2	5 [C]	10 !	AMBER	< 3 yrs	Risk Retention	Standardised operational processes and procedures have been developed to ensure efficient and effective processes and verification measures are in place.	1	5 [C]	5 !	AMBER	Senior Management Team	20/5/19	Managed Risk.
17	Programme Management	Programme scope, schedule, objectives, cost and deliverables are not clearly defined or understood.	3	5 [C]	15 X	RED	< 3 yrs	Risk Prevention	Clear definition of scope, schedule, objectives, cost, and deliverables through Service Improvement Plan, Benefits Realisation Strategy & Plan, and Customer Service Strategy.	1	5 [C]	5 !	AMBER	Senior Management Team	20/5/19	Managed Risk.
18	Programme Management	Estimating and / or scheduling errors.	3	5 [C]	15 X	RED	< 3 yrs	Risk Prevention	A Programme Plan has been developed which illustrates key activities, team, timing, milestones, and delivery of products.	1	5 [C]	5 !	AMBER	Operations Manager	20/5/19	Managed Risk.
19	Programme Management	Unplanned work that must be accommodated.	1	5 [C]	5 !	AMBER	< 3 yrs	Risk Retention	Incorporate unplanned work within Programme Plan and minimise impact on delivery of products through parallel processes when feasible.	1	5 [C]	5 !	AMBER	Operations Manager	20/5/19	
20	Programme Management	Lack of co-ordination / communication	1	5 [T]	5 !	AMBER	< 3 yrs	Risk Prevention	Programme co-ordination and communication conducted in accordance with Programme governance structure and in accordance with PRINCE 2 principles.	1	3 [T]	3 ✓	GREEN	Business Support Manager	20/5/19	Managed risk, hence reducing.
21	Programme Management	Underestimated support resources or overly optimistic delivery schedule.	3	5 [C]	15 X	RED	< 3 yrs	Risk Mitigation	Support resources and delivery schedule developed from robust Programme Plan and previous experience of similar Programmes.	1	5 [C]	5 !	AMBER	Operations Manager	20/5/19	Introduction of the appropriate Project Management software to deliver a unified programme across the Ayrshire Roads Alliance whilst utilising plant / resources efficiently.
22	Programme Management	Unresolved Programme conflicts not escalated in a timely manner.	3	5 [T]	15 X	RED	< 3 yrs	Risk Mitigation	Programme conflicts recorded in Issues Log and progressed in accordance with reporting arrangements for project team.	2	5 [T]	10 !	AMBER	Operations Manager	20/5/19	Managed Risk.
23	Programme Management	Unanticipated escalation in Programme costs as a result of uncontrolled changes or continuous inflation of a project's scope beyond initial remit.	2	5 [C]	10 !	AMBER	< 3 yrs	Risk Retention	Escalation of Programme costs addressed through appropriate and applicable corrective actions and control measures.	1	5 [C]	5 !	AMBER	Operations Manager	20/5/19	Managed Risk.

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24	Programme Management	Unanticipated delays in Programme timescale as a result of uncontrolled changes or continuous inflation of a project's scope beyond initial remit.	2	5 [T]	10 !	AMBER	< 3 yrs	Risk Retention	Delay of Programme timescale addressed through appropriate and applicable corrective actions and control measures.	1	5 [T]	5 !	AMBER	Operations Manager	20/5/19	Managed Risk.
25	Programme Management	Delay in earlier Programme phases jeopardises ability to meet programmed delivery commitment.	2	5 [T]	10 !	AMBER	< 3 yrs	Risk Mitigation	Incorporate delays within updated Programme Plan and minimise impact on delivery of products through parallel processes when feasible.	1	5 [T]	5 !	AMBER	Operations Manager	20/5/19	Managed Risk.
26	Programme Management	Communication Strategy to engage public awareness not planned on a joint Ayrshire basis	2	5 [T]	10 !	AMBER	< 3 yrs	Risk Prevention	Ensure that a robust Communication Strategy and response network is developed during planning stages of Programme which incorporates sufficient key review stages to ensure effective communication of key messages regarding deliverables and progress.	1	3 [T]	3 ✓	GREEN	Head of Roads, Ayrshire Roads Alliance	20/5/19	Managed risk, hence reducing.
27	Programme Management	Unforeseen agreements required to proceed with or conclude Programme.	2	5 [C]	10 !	AMBER	< 3 yrs	Risk Retention	Engage all appropriate and applicable requirements to ensure that amicable arrangements are put in place.	1	5 [C]	5 !	AMBER	Operations Manager	20/5/19	Managed Risk.
28	Programme Management	Priorities change on existing service delivery.	2	5 [C]	10 !	AMBER	< 3 yrs	Risk Mitigation	Ensure that changes on existing service delivery are communicated in accordance with the existing Service Level Agreement, namely that all parties agree and will abide by the philosophy of operating as a whole under the principle of what is best for the Council Tax payer, not necessarily the individual authority.	1	5 [C]	5 !	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	Managed Risk.
29	Programme Management	Inconsistent cost, time, scope and quality objectives resulting in time delays and further costs.	2	5 [C]	10 !	AMBER	< 3 yrs	Risk Prevention	Ensure that cost, time, and scope estimates along with quality objectives are evidence based on experience from previous comparable Programmes.	2	4 [C]	8 !	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	Managed Risk.
30	Programme Management	Affordability of future service payments.	2	5 [C]	10 !	AMBER	< 3 yrs	Risk Prevention	Ensure that East Ayrshire Council and South Ayrshire Council are fully aware of the budgetary implications required to meet the on-going cost of service provision, as detailed in the DBC, and have fully committed sufficient financial resources following Business Case sign-off.	2	5 [C]	10 !	AMBER	East Ayrshire Council and South Ayrshire Council	20/5/19	Continue to present revenue financial monitoring report to Joint Committee. Four weekly meetings are held to discuss revenue and capital position of the Ayrshire Roads Alliance.

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31	Programme Management	Councils withdraw or cannot provide sufficient support, or agreed level of input is not provided resulting in Programme delays	2	5 [T]	10	AMBER	< 3 yrs	Risk Prevention	Early identification of problems, and dialogue with Council.	1	5 [T]	5	AMBER	East Ayrshire Council and South Ayrshire Council	20/5/19	Managed Risk.
32	Council's Operators Licence ('O' Licence)	Loss off / restrictions on Council's 'O' Licence.	3	5 [C]	15	RED	< 3 yrs	Risk Mitigation	There are the correct management controls in place, and these are robust and appropriate. Paperwork issued to Road Traffic Commissioner for transfer of 'O' Licence.	2	4 [C]	8	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	Continue to work with fleet service in East Ayrshire Council.
33	Health & Safety / Risk & Insurance	Insufficient investment, resources and on-going maintenance to resolve issues identified in Health & Safety surveys of depots and harbour are on-going. The Ayrshire Roads Alliance operates from and manage risk of enforcement action and penalties should HSE become involved	4	5 [C]	20	RED	< 3 yrs	Risk Prevention	Issues identified in Health and Safety Surveys are recorded on Issues Log along with corrective actions to rectify / bring up to the required standard.	3	4 [C]	12	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	South Ayrshire Council continues to have ownership for and maintenance of depots and harbours within their area. Responsibility of funding the various mitigation actions identified in the Issues Log sits solely within the control of South Ayrshire Council. East Ayrshire Council has ownership and responsibility for their depots.
34	Development Control – Road Bonds	Inadequate coupon values of Road Bonds exposes the Roads Authority to a potential shortfall if the roads works have to be completed by them in the event that a developer defaults.	3	5 [C]	15	RED	< 3 yrs	Risk Prevention	The coupon value of Road Bonds that are more than three years old are reviewed to determine their adequacy. Where a shortfall is identified, the developer will be advised to increase the value of the Road Bond held when an application is made for an extension to the Road Construction Consent (RCC), which is normally valid for three years.	2	5 [C]	10	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	If the road authority is required to complete a development road then only the cost up to the value of the Road Bond can be recovered from the provider. Any shortfall has to be met by the roads authority. A complete review of the process of delivering road bonds has been completed
35	Connect Roads	Residential loss of income to the Ayrshire Roads Alliance and expenditure incurred as a lighting maintenance subcontractor to Connect Roads on the M77, amount of exposure for Ayrshire Roads Alliance is up to £50,000 per year for the main contractor	3	1 [C]	3	GREEN	< 3 yrs	Risk Prevention	Ayrshire Roads Alliance will reduce exposure by limiting the amount owing to us at any one time. Ayrshire Roads Alliance will insist on payment by contractual terms or stop doing the work.	2	1 [C]	2	GREEN	Head of Roads, Ayrshire Roads Alliance	20/5/19	

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36	Bridges and Structures	Inadequate inspection of bridges and culverts for deterioration due to aging, increased live loads, cracking, corrosion, environmental effects (freeze and thaw cycles) and fatigue	2	5	10 !	AMBER	< 3 yrs	Risk Prevention	All principal bridge inspections currently up to date in South Ayrshire, with a rolling programme being developed for East Ayrshire along with additional resource for principal inspection work. All General Bridge inspections are up to date across both East Ayrshire and South Ayrshire. Weak bridges are monitored on a regular basis. The Ayrshire Roads Alliance provides increased resilience in this matter.	3	5	15 X	RED	Head of Roads, Ayrshire Roads Alliance	20/5/19	Bridges and culverts are defined as structures with a span in excess of 900mm. Peter Brett Associates have commenced principal bridge inspection work.
37	Bridges and Structures	Inadequate maintenance of structures, bridges and culverts due to aging, increased live loads, cracking corrosion, environmental effects (freeze and thaw cycles) and fatigue	2	4	8 !	AMBER	< 3 yrs	Risk Prevention	Rolling programme of repair, rehabilitation or replacement (for weak bridges) through Council Capital Budgets.	2	4	8 !	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	Bridges and culverts are defined as structures with a span in excess of 900mm.
38	Flooding	Potential loss of all Grant Aided Expenditure funding for flooding mitigation schemes administered by SEPA.	2	5 [C]	10 !	AMBER	< 3 yrs	Risk Mitigation	Seek capital funding from Council(s) for priority flooding mitigation schemes declared in Flood Risk Management Plan.	2	4 [C]	8 !	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	The Councils have a legal duty under the Flood Risk Management (Scotland) Act 2009 to implement flooding mitigation schemes declared in the Flood Risk Management Plan.
39	Flooding	Receipt of less Grant Aided Expenditure funding than anticipated for flooding mitigation schemes administered by SEPA.	4	5 [C]	20 X	RED	< 3 yrs	Risk Mitigation	Seek capital funding from Council(s) to bridge funding gap for flooding mitigation schemes declared in Flood Risk Management Plan.	4	3 [C]	12 !	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	The Councils have a legal duty under the Flood Risk Management (Scotland) Act 2009 to implement flooding mitigation schemes declared in the Flood Risk Management Plan.
40	Flooding	Potential lack of sufficient funding for flooding mitigation schemes if cost of schemes exceeds Grant Aided Expenditure (GAE) due to Relief Events or Force Majeure.	3	3 [C]	9 !	AMBER	< 3 yrs	Risk Mitigation	Seek capital funding from Council(s) to bridge funding gap for flooding mitigation schemes declared in Flood Risk Management Plan.	3	2	6 !	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	Only 80% of principal funding for flooding mitigation scheme. However increased costs due to relief events or force majeure is not funded.

APPENDIX 2: AYRSHIRE ROADS ALLIANCE RISK REGISTER

RISK ID	RISK CATEGORY	DESCRIPTION	LIKELIHOOD	IMPACT	INHERENT RISK		PROXIMITY	RISK RESPONSE	ACTION TAKEN TO MITIGATE RISK	LIKELIHOOD	IMPACT	RESIDUAL RISK		RISK OWNER	DATE OF LAST REVIEW	ADDITIONAL COMMENTS
41	Financial	Potential swift decline in value of Pound Sterling due to Force Majeure or material adverse change resulting in increased costs in terms of fuel prices, interest rates and insurance premiums.	4	4 [C]	16 X	RED	< 3 yrs	Risk Mitigation	Mitigation measures would be put in place to prioritise front line services as detailed in the specific Business Continuity Plans for office, depot and harbour, as applicable.	4	3	12 !	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	Managed Risk. The impact of the United Kingdom exit from the European Union has still to be evaluated. On-going discussions with Transport Scotland and Ayrshire Roads Alliance on the impacts on the transport network.
42	Contractual Agreement	Potential swift decline in value of Pound Sterling followed by market volatility over the short to medium term resulting in suppliers and contractors terminating agreements due to Force Majeure or material adverse change.	3	4 [C]	12 !	AMBER	< 3 yrs	Risk Mitigation	Mitigation measures would be put in place to prioritise front line services as detailed in the specific Business Continuity Plans for office, depot and harbour, as applicable.	3	3	9 !	AMBER	Head of Roads, Ayrshire Roads Alliance	20/5/19	Managed Risk. The impact of the United Kingdom exit from the European Union has still to be evaluated. On-going discussions with Transport Scotland and Ayrshire Roads Alliance on the impacts on the transport network.
43	GDPR	The existing Data Protection Act is being brought about by the General Data Protection Regulation (GDPR) which is an EU Regulation that sets out the changes that the UK will implement in a new Data Protection Act.	2	4	8	AMBER	< 3 yrs	Risk Mitigation	Follow Corporate Procedures	1	4	4	GREEN	Head of Roads, Ayrshire Alliance	20/5/19	