

STRATEGY AND BUSINESS INTELLIGENCE

Risk Ref	Risk Description	Consequences / Impact	Risk Owner	Original Risk Score			Risk Action Tolerate / Treat / Transfer / Terminate	As of Q2 2017/18								
				I	L	Risk Score		List of Current Controls / Actions Embedded and operating soundly	Current Risk Score (as at 30/09/17)			Risk Action Tolerate / Treat / Transfer / Terminate	Further Action / Additional Controls	Action Owner	Action Target Date	Q2 Comments / Updates (Corporate Risks only)
									I	L	Risk Score					
CPR003	Capacity to focus on development	1. Inability to deliver projects to timelines 2. Loss of engagement due to burn-out 3. Capacity and skills not in place to address new projects and activities 4. Project delivery is delayed by BAU taking precedence, benefits are postponed 5. Project delivery is perceived to be less important in the business with staff and customers losing faith in the brand 6. Senior capacity required to pursue new initiatives.	Director	5	3	15	1. Director-level support enables project members to be drawn from across business 2. IT Team now has a full complement of staff 3. Leadership Team support project leads in setting priorities 4. Key business developments are outlined within the strategy giving them prominence within the organisation 5. Consultant project managers can be engaged where required 6. Move to recruit Head of Sales & Marketing to release incumbent earlier to supporting commercial projects	5	2	10		1. Overview plan should flag staff that are committed to multiple projects and shows milestones reflecting the timeline of how their commitment to a number of projects might be spaced out 2. Review of skills and capacity and organisational approach required to deliver the MTFS laid out in 2017 – needs Servicing Authority engagement and support	Director	1. Ongoing 2. March 2017	06/09/2017: Reviewed; given impending departure of Director, the senior resource to continue delivery of BAU and Strategic Plan remains a business risk.	
25	Increased competition	1. Possible implications on business volume, reputation, new business and on trading results in the Catalogue business 2. Through collaboration with CCS and YPO; CCS is dominating the management of such contracts (MFDs) including the management of the rebates; ensuring security of the income stream is becoming a major threat to ESPO's business model.	Director	5	4	20	1. Working with suppliers and customers to improve the 'offering', facilitating this relationship through capturing and using business intelligence and managing this 'knowledge'. 2. Continue seeking efficiencies through international sourcing	5	2	10		1. Review loyalty scheme – increased requirement on income streams 2. Robust sales and marketing strategy to be developed to reflect the heightened competition in this sector and to support the revised MTFS in 2017	Director		06/09/2017: Reviewed, no change	
38	Optima (potential failure/customer impact)	1. Failed or delayed implementation – risks 2, 3, 4 and 5 become 'active' 2. Inability to pay supplier – supplier cash flow impact, and potential breach of contract 3. Unable to invoice customers – negative cash flow exposure and customer service impact 4. Loss of access to energy data – service impact, could also have consequences for tendering if it occurred during procurement cycle, and volume forecasting (supporting trading activity) 5. Degradation in service performance likely to result in higher volume of customer support calls and response	Head of Commercial	5	4	20	1. Phased implementation – limit impact in event of any problems or failures 2. Implement in parallel with GEMS - so able to switch back if necessary 3. Implement during off peak period (summer) as far as possible – lower values transacted, majority of customers in summer recess 4. See also Project Risk Register 5. Business Continuity measures – see MRR34: Business Continuity and MRR42: Reliance on Technology 6. Ensure AD Finance is actively engaged on Project Board	4	3	12		1. Developments to accommodate consolidated billing on first being tested; this is critical to implementation of the final (more complex) portfolios Concerns relating to system upgrade process and aspects of financial control in system to be discussed with Optima.	Head of Commercial		20/06/2017 Reviewed no change; remains high priority; review meeting scheduled 26/09/2017.	
48	Strategic IT Succession Planning	1. Commercial risk in the market advancing ahead of ESPO 2. Pace of change and delivery may stall the delivery of MTFS 3. What is our potential? 4. Succession planning risk	Director	4	4	16	1. Recruited project manager with broad skill set to lead the Infor upgrade, and add broader exposure to the IT team 2. Test plans, recruit broader experience and delivery capacity has been achieved 3. Review IT strategy and set out IT ambitions in context of business planning and review skills and organisation in IT accordingly.	4	3	12		Perform 'service review' of IT function to ensure fit for purpose in short, medium and long term	Director		06/09/2017: Risk score revised up; further action added.	

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58	Risk of loss of major supplier on MSTAR framework resulting in disruption and/or loss of supply for customers and loss on income for ESPO	<p>1. Financial loss in terms of rebate outstanding from suppliers to ESPO. Also ESPO time in advising customers and helping them to migrate to new suppliers.</p> <p>2. Reputational risk from stakeholders resulting from ESPO 'not having taken mitigating action' to minimise risk and impact.</p> <p>3. Legal Risk in that stakeholders suffering financial loss may seek to hold ESPO liable in terms of negligence for 'not having taken mitigating action' to minimise risk and impact.</p> <p>4. Operational Risk of customers not having a provider of services - PR risk to ESPO.</p> <p>5. Business objectives risk of a reduction in choice for customers on the framework.</p>	Deputy Director	4	4	16		<p>1. Daily financial stability assessments on top 4 MSTAR suppliers (Comensura, Adecco, Matrix and Reed) using Creditsafe 'Bespoke Monitoring' report (& weekly on remaining 7).</p> <p>2. Increased frequency of rebate collection (subject to contractual constraints)</p> <p>3. Desktop audit of suppliers framework business levels by LCC Audit to verify rebate income.</p> <p>4. Desktop audit of suppliers' supply chain payment practices by LCC Audit .</p> <p>5. Develop an emergency change management plan to migrate customers over to other suppliers in the event of failure of their existing supplier.</p> <p>6. Use of Creditsafe 'Risk Tracker' to flag any changes in suppliers' Creditsafe records, including publicity in the media for further investigation.</p> <p>7. Regular meetings with suppliers in the industry.</p>	4	3	12		<p>1. Daily financial stability assessments on top 4 MSTAR suppliers (plus DePoel as a new entrant) using Creditsafe 'Bespoke Monitoring' report.</p> <p>2. Increased frequency of rebate collection (subject to contractual constraints).</p> <p>3. Audit of supplier framework business levels. 4. Audit of suppliers' supply chain payment practices. 5. Develop an emergency change management plan to migrate customers over to other suppliers in the event of failure of their existing supplier or supply chain. 6. Quarterly meetings with framework suppliers. 7. Use of Creditsafe 'Risk Tracker' to flag any changes in suppliers' Creditsafe records, including publicity in the media for further investigation.</p>	Head P&C	3. on-going	19/06/2017: Third-party audit plan proposed; review meeting scheduled 26/09/2017.
63	Exiting EU	<p>1. 'Within year' increases in buying prices due to higher import costs could reduce margins – possible failure to suppress 'cost of sales' target and impact on international sourcing programme</p> <p>2. Year on year buying price increases put pressure on margins/competitiveness</p> <p>3. Inflation could reduce discretionary spend by customers – reduced sales</p> <p>4. Extension to austerity or further cuts in public finances – impact on customer spending</p> <p>5. Threat to achieving MTFS</p> <p>6. Competition benchmark reset</p> <p>7. Post Brexit tariffs</p> <p>8. Supply chain disruption</p> <p>9. Potential increase in business failures</p>	Director	4	4	16		<p>1. Aim to resist price increase 'within year'</p> <p>2. Mitigate increases through competition, re-sourcing, extensions</p> <p>3. Support sales through targeted promotion and marketing</p> <p>4. Factor in changes to the MTFS</p> <p>5. Competition position on pricing and Brexit pass through</p> <p>6. Strategic supplier engagement</p>	3	4	12			Director		06/09/2017: Reviewed, no change.