

Appendix 1

ESPO																		
Risk Ref	Category	Risk Description	Consequences / Impact	Risk Owner	Inherent Risk Score			Risk Action Tolerate / Treat / Transfer / Terminate	List of Current Controls / Actions Embedded and operating soundly	Risk indicators to be used to monitor the risk	Residual Risk			Risk Action Tolerate / Treat / Transfer / Terminate	Further Action / Additional Controls	Action Owner	Action Target Date	
					Impact	Likelihood	Score				Impact	Likelihood	Score					
25	Stores Trading and Brand	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 FWs (Technology, MFDs) including the management of the rebates; ensuring security of the income stream is becoming a threat to ESPO's business model. 3. Amazon: moving deliberately into the public sector space, and focussing on education as a key area, Amazon have expressed interest widely within the market place at becoming more than an ad hoc supplier to schools of all levels, expressing their intention to partner with, or secure suppliers who have tailored offering for the sector.	AD Business Development	5	4	20	Treat	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 and developing partnerships. 3. Amazon: Continue to market our 'not for private profit' credentials and continue to craft our ranges to offer the very best solution to all tiers of education from our stock and directs position. 4. Website Development roadmap. 5. Use of BESA benchmarking and insight for ongoing market share data. 6. Continue to make frameworks easier to access. 7. Further develop ETL SS offering for diversity of customer base. 8. Work with DfE to recommend and promote our offer. Proposals shared with DfE showing savings on key categories or products, value added by MATs package and MSF. 9. BESA continues to provide challenge to DfE for their proposals to work with Amazon.	1. Changes to key customers' buying (as highlighted at Weekly Trading). 2. Fluctuations in rebate income (as highlighted at Weekly Trading). 3. E-commerce uptake. 4. Amazon: Reduction in traditional stationery and direct electrical item sales at category level. 5. Termly customer research and feedback. 6. Competitive mapping for frameworks, including new threats and CCS expansion. 7. Staff migration to competitors. 8. Market insight data from BESA, C3 and EdCo. 9. Customer ordering patterns, average order value, next day delivery etc.	4	4	16	Treat	1. Review loyalty schemes including MATs Package and development of new corporate package – increased requirement on income streams. 2. Robust sales and marketing strategy developed to reflect the heightened competition in this sector and to support the revised MTFs. 3. Review termly research. 4. Keep a close eye on developments in the market. 5.Continue to look out for member authority frameworks that duplicate ESPO's offering. 6. Keep abreast of speculative frameworks that could take business from ESPO frameworks. 7. Continue to explore and maximise exporting opportunities. 8. Review approach to recruitment and retention of key procurement/commercial staff. 9. Consider bidding for the CCS tail spend tender next time issued. 10. Continue to work with DfE on our offer and proposals to show savings to schools on specific products. 11. Continue to focus on price competitiveness.	AD Business Development	Ongoing	07.08.25 Reviewed - Controls/actions and risk indicators updated. - DfE appear to be launching a new proposition to create or use a framework for tailspend, educational supplies. BESA and ESPO making representations to DfE separately. - DfE continue to promote of ESPO, comms/webinars to show ESPO's competitiveness, Procurement Act etc. - The team continue to regularly benchmark key products. - Technology project underway to offer products on espo.org
66	Stores Trading and Brand	Amazon (with or without YPO solution)	1. Amazon access to Public Sector via YPO agreement. 2. Amazon access to Public Sector/YPO customers. 3. Amazon range. 4. Corporate threat. 5. Ease of Amazon digital platform to use. 6. Threat to volume and catalogue rebate.	AD Business Development	5	4	20	Treat	1. ESPO BAU account management. 2. Digital/Web roadmap. 3. Procurement and compliance advice. 4. ESPO market intelligence. 5. Use of Tussel insight tool. 6. Regular meetings with DfE to feedback on proposals. 7. Working with BESA distributor group to counter threat.	1. Termly customer research. 2. Account manager feedback. 3. Online exposure. 4. BESA data on market share.	4	4	16	Treat	1. Digital platform and development roadmap. 2. NAM Account management of key customer accounts. 3. Brand diversification (Eduzone). 4. ETL broader appeal/reach. 5. Enhanced marketing. 6. Continue to engage with DfE to counter threat. 7. Review service levels and ensure fit for customer needs.	AD Business Development	Ongoing	07.08.25 Reviewed - Controls/actions and risk indicators updated. - DfE creating new proposition to offer all schools access to a framework for tailspend educational supplies. We continue to engage with DfE and BESA. - DfE have conducted some promotion of ESPO, comms/webinars to show ESPO's competitiveness, Procurement Act etc. - Continue to work with BESA to challenge DfE proposal. The team continue to regularly benchmark key products. - Discussions underway with CCS regarding ESPO featuring on their Tailspend solution. - Technology project underway to offer products on espo.org
70	Operations and H&S	Driving or operating over the alcohol or drug limit	1. Impaired judgement leading to accident 2. Possible injury or death to other road users and pedestrians. 3. ESPO reputational damage	AD Operations & IT	5	3	15	Treat	With Cause' tests can be made at any time. Driver signs daily report to confirm he is fit to drive. Agreed a local policy with Trade Unions on 11/8/2021 where there is suspicion of excess alcohol being consumed by any employee. A breath test kit will be used to determine alcohol content. ESPO have a zero tolerance for any alcohol. 20.10.2021 new Random D&A deployed using Hampton Knight to detect alcohol and drugs.	Road Traffic Accidents Injuries to customers or drivers Contact from the police	4	4	16	Treat	26/11/2020 24.11.20 LCC proposed random D&A testing policy under review 28.5.2021 New drug & alcohol testing regime being introduced via LCC from Sept 2021. Feb 2023 Increased probability to 4 in the light of recent test results. Increased probability to 3. Feb 2024: New testing agents in place via LCC contract - DNA Workplace. Random testing of ESPO staff continues quarterly across all 3 shifts - delivery drivers tested each time, minimum 4 times per year. Random testing conducted in Feb 2024 returned 1x non-negative result for cocaine (warehouse operative) - Substance misuse policy implemented, 4 week support plan put in place with regular assurance testing agreed. H&S suspension in place for duration of this plan in line with LCC policy.	AD Operations & IT	Implement testing regime within 1 month of LCC announcing new testing protocol	Aug 2025 - D&A testing conducted 28.07.25. 21 donors tested in total covering night shift, early shift and delivery drivers. 2x FLT drivers on each shift tested as agreed. All results returned as negative. On-site breathalser remains available as indicative check if required. Supervisors aware of signs and symptoms and 'with cause' process. Random testing of ESPO staff continues quarterly across all 3 shifts - delivery drivers tested each time, minimum 4 times per year. 'With cause testing' remains in place. New testing company procured via LCC (AttoSure). Results of drug testing now received instantaneously. If results are non-negative these are automatically sent to a laboratory for assessment via a Medical Review Officer (MRO), on behalf of the supplier, who support with the risk assessment process and if the employee is safe to work. Small risk of unnecessary suspension whilst MRO undertakes assessment and confirms if results are consistent with any declaration of taking prescribed / over the counter medication that could result in cross reactivity or non-negative result. Key managers and supervisors frequently reminded on substance misuse policy and procedures and remain aware of signs and symptoms of drug or alcohol misuse and action to take. Quarterly stakeholder meetings continue with LCC to inform and review policy and practical application 1x 'with cause' test initiated with member of business development team (April 2025) due to suspicion of alcohol consumption - Test returned positive for alcohol over legal driving limit. Support plan put into in place, employee prohibited from driving on behalf of ESPO. Last random tests conducted March 2025 - 1x non-negative return for Tramadol (disclosed at the time of test) - risk assessment conducted and employee deemed fit to work.
78	Supply chain	Supply chain risk – notably linked to geo-political events and conflict in The Middle East and Ukraine	1. Stock supply shortages for products or components that are made in Far East. With consequential effects in UK manufacturers production capability. 2. Staff shortages in all ESPO functional areas due to high sickness rates. 3.School closures to reduce infection spread. 4. Overall economic impact on ESPO's business activities due to sluggish restoration of international supply chain. 5. Buying price risk due to increased freight xosts may mean a reduced margin. 6. Driver shortage in the market could affect deliveries to ESPO and our ability to deliver to our customers on time. • Staff complacency and not adhering to controls in place. • All risks as identified previously coming to fruition due to further restrictions introduced. • Supply chain disruption in the event of further lockdowns both in UK and Worldwide. • On-going school closures / partial closures.	Director	4	4	16	Treat	1. 'Set up an internal team tasked with managing ESPO's activities and communications in response to the health crisis. 2. 'Monitor updates and advice from WHO and UK government'. 3. 'Maintain regular communications with customers, staff and stakeholders. 4. ESPO continue to promote good handwashing and hygiene practices and have increased the availability of antibacterial wipes and cleaning equipment. Contracted cleaning contractors disinfect door handles and hand rails as part of our contract. 5.Should a member of staff contract coronavirus EPSP will liaise with PHE directly at County Hall and follow any recommendations. 6. Should isolation be required our Smarter Working Policy provides guidance on staff working from home and where necessary individual risk assessments will be completed. In the event there is a requirement for an extended number of staff to work from home all available lap-tops provide to staff across the business will be recalled and distributed accordingly.. 7. Assess suppliers shortages through daily phone contact by Stock Optimisation team. 8. Work closely with staff agency partners to source staff across the logistics, procurement and financial sectors. 9. Continue to manage supply chain risk through Supply Chain Panel, PAG and CMG. 10. CMG and Contracts Panel will be made aware of price increases and impacts assessed by Finance 11. Aim to resist price increase 'within year' 12. Mitigate increases through competition, re-sourcing, extensions	1. Weekly stock availability reports with supplier shortages and failed customer orders. 2. Weekly staff sickness records attributable to the coronavirus. 3. Weekly trading analysis • Continued enforcement of existing controls by managers • Continued staff briefings and reminders. • On-going Covid-19 secure monitoring by ESPO Health and Safety Advisor and LCC.	4	4	16	Tolerate	1. Align staff policies to LCC guidelines. 2. Assess trading impact on financial forecasts. 3. Understanding of alternative sources of catalogue products. 4. Regular meetings of the internal team 5. Ongoing communications with all relevant parties through web site, weekly comms and formal reports. 04.03.2020 ESPO update on Coronavirus Report discussed at Mgmt. Committee. 06.03.2020 Teleconference with LCC. • All risk assessments and guidance fully aligned with LCC. • Internal meetings took place regularly during height of pandemic. Frequency reduced due to new 'BAU'. Would resume if required. • Comms on-going • Forthcoming work on building modifications and a new people strategy to support new ways of working.	Director	Ongoing	14.5.25. Risk description updated to remove links to Brexit and Covid were are largely diminished now

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79	IT	IT Cyber Security. Range of cyber security threats (Note - separate IT specific risk register maintained and overseen by internal ITDG committee)	Failure to adequately protect ESPO networks, systems and data from malicious attack could lead to a range of potential consequences, including; financial; reputational; operational; legal impacts or other losses.	AD Operations & IT	5	4	20	Treat	Range of protections/controls in place, including (but not limited to): 1) Firewalls (outer defences, controlling the border of ESPO network) 2) Automated Threat Protection system (assesses various incoming data (e.g. emails) for potential threats) 3) Antivirus software (Prevents known viruses from executing on ESPO devices) 4) Authentication systems (Controls who can access ESPO systems and data) 5) Staff education (Reduces risk of successful phishing attack) 6) Anti-Ransomware backup solution (prevents hackers from encrypting our backups) 7) External security controls Audit (Highlights areas of concern in ESPO security systems) 8) Penetration testing (probes the ESPO network for vulnerabilities)	1) Firewall logs (contain details on network traffic, including hostile attacks on the ESPO network) 2) Firewall Reports (Daily, weekly, monthly reports on network traffic) 3) External security support partner monitoring (Various support partners issue regular threat alerts) 4) various event logging - systems that monitor and alert on potential concerns (this is a weak area for ESPO and will be reviewed) (Needs further expansion)	4	4	16	Treat	IT action plan created and enhanced following the cyber audit by LCC. This includes controls in place, and enhancements, including: - Creation of cyber security roadmap, specific risk register and incident response processes - New remote working policy including multi-factor authentication, revised password policy and technical measures for device authentication. - Penetration Testing - Disaster recovery policy, testing and third party support - Staff training and to improve awareness, competence and enhance the positive culture of reporting of issues/mistakes - Contracts with specialist 3rd parties to provide regular technical and emergency support - Working towards 'CyberEssentials+' accreditation - Maintenance and development of internal security procedures (e.g. the 2022 version upgrade of our ERP system) Sept 2022 Cyber Insurance policy extended for 1 year. Oct 2022 LT approved Incident Response Policy. 08.02.24 Various Job Descriptions have been amended to reflect the increased importance of CyberSecurity and establish responsibilities in this area. DR Testing in December 2023 and Sept 2024 demonstrates that current process is robust and effective. Staff Awareness training is now embedded across ESPO, and signs suggest this is having a positive effect. All user security measures (antivirus, antimlware etc) have been migrated to MS Defender, additionally Defender drives our software patching process, alerting us immediately when anything requires update. ESPO's Microsoft Secure Secure increased slightly to 78%, well above the average for similar organisations (42%). Work continues towards CyberEssentials+ accreditation.	AD Operations & IT	Q1 2021/ongoing	August 2025 - Following Firewall upgrade our CyberSecurity stance got even stronger. Microsoft Secure score has gone up to 84%. Additional security rules, monitoring and system access control guarantees stronger security. IT is continuing to remove old and unsupported software which in return puts us closer to CyberEssentials+ accreditation. 14.08.24 Forthcoming publication of the new IT Policy will tick a significant box regarding CyberEssentials+ accreditation. Penetration Testing for 2024 is currently in procurement and should be completed in the Autumn. The Annual Disaster Recovery testing was undertaken in September. ESPO's cybersecurity stance remains strong. Progress has been made with the migration of other systems still residing on Windows 2012R2 servers, and these should be completed by end of 2024. Disaster Recovery Testing was successfully completed in Sept 24. Microsoft Secure Score remains at 78%, which is very high (meaning we are reasonably secure, and aligned with best practice). Our Security Incident and Event Monitoring Service was put on a sound contractual footing with a new compliant contract put in place via G-Cloud. May 2025: Cybersecurity posture remains strong. ESPO Microsoft Secure Score now raised to 83%, which is very high, following ongoing response to Microsoft Security guidelines. New firewalls to go live end of May 2025 bring enhanced defensive capabilities and improved visibility, so will further improve our position.
80	Procurement - Compliance	The Procurement Bill contains areas of potential risk for ESPO.	Customers may choose to undertake their own procurements and not use frameworks - fall in rebate income. Risk of court challenge if new procedures used incorrectly. Current procurement structure may need reassessment to ensure compliance with transparency rules. Risk of being sued for inappropriate transparency or for not being transparent enough.	AD Procurement & Commercial	5	3	15		Monitoring contracts finder/ find a tender and closer monitoring of customer procurement pipelines Better engagement through CRM'S Continued engagement with legal advisors to gauge customer tendencies Canvass opinion from member authorities to understand what it means to them/what their intentions are. Manage customer messages to intensify the 'safe framework' message. ESPO stick with Open Procedure until new flexible procedures are clarified and tested. Ensure procurement team is adequately resourced to ensure transparency compliance. Create a Transparency/Governance unit within procurement. Update processes & procedures to reflect new requirements.	Fall down in number of customers using our frameworks. Insufficient resource to manage increased administration required.	5	3	15	Treat	1. Develop ESPO's procurement strategy to take account of the newly released National Procurement Policy Statement 2.Work closely with LCC and other PBOs to develop joint approach. 3.Through chairmanship of the PBO forum ensure that representatives from the Cabinet Office attend to provide regular updates on policy in relation to the Procurement Bill developmental 4. Ensure that ESPO has representation on the planned Cabinet Office training advisory body for new procurement rules - push for central funding. 5. Put in place an ESPO procurement steering group to support the transition to new ways of working 6. Ensure adequate legal resource is in place from LCC to support the transition to new procurement rules. 7.Ensure new processes and governance procedres remain under review and in-step with changes to the new Regulations. 8. Continue to invest in staff training and developemnt.	AD Procurement & Commercial		14/02/24 Bill now confirmed for October 24 implementation. Procurement Steering Group having completed a read through of the new Act. Training sessions identified for all procurement staff to take place March - June 24. 15/8/24 All Procurement Staff have completed the online training provided by Cabinet Office. Also 2 sessions covering 3 days with legal Partner are in progress. 13/11/24 update - Act implementation delayed to Feb25. Work on updated processes and documentation to reflect the new Act is nearing completion. This will be assessed by Internal Audi and independent legal partner. 18/02/25 update. Staff training complete. Legal partner assessment of documents and processes underway and expected to be completed by go live date for new regs. 13/05/25 update. All actions above complete except for final sign off of ITT and Framework Agreement by Legal partner. This is however imminent. 12/08/25 update. All actions completed
103	Stores Trading and Brand	DfE development of a 'tailspend' Educational Supplies Framework and attempting to restrict the market to one supplier	1. DfE encouraging / restricting schools purchases of educational supplies with selected supplier(s). 2. Potential impact on educational supplies market that could reduce competition and reduce school spend with ESPO. 3. Corporate threat. 4. Threat to catalogue sales volume and catalogue rebate and ESPO's ability to meet MTFS. 5. A reduction in education catalogue volume could lead to higher buying prices across the range.	AD Business Development	5	5	25	Treat	1. ESPO account management with individual schools and academies. 2. Developed a historical positive relationship with DfE and hold regular meetings with DfE senior staff to feedback on proposals. 3. Relationship, representation and engagement with BESA industry body and distributor group to counter threat. 4. Submission of ESPO offering into DfEs framework proposal - Tender for the opportunity. 5. Potential to report anti-competitive behaviour to regulatory bodies (CMA). 6. DfE is unable to mandate the offer to schools - only signpost.	1. Information obtained from DfE meetings. 2. Monitoring of DfE and DfE procurement activity. 3. BESA engagement and information and distributor group information. 4. Feedback from schools and MATs. 5. Sales volume and value reorts and management information.	4	4	16	Treat	1. Continue to engage with DfE and BESA to counter threat. 2. Ensure that ESPO continues to engage directly with schools and MATs. 3 Ensure that ESPO continues to add value to schools/MATs through relationships, added value/training/insight/CPD.	AD Business Development	Ongoing	07.08.25 - New risk added in light of market engagement notice 1/8/25