

APPENDIX A

IMPROVEMENT AND TRANSFORMATION PROGRAMME - KEY RISKS

The table details the risks associated with the Improvement and Transformation Programme.

| * Ref | Risk Description | Cause | Consequence | Uncontrolled RAG | Mitigation | Mitigated RAG |
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| I | Non delivery of MTFP savings | <p>Insufficient resource to deliver the portfolio of projects associated with achieving savings.</p> <p>Improvement and Transformation Programme doesn't prioritise programmes and projects that would enable MTFP savings.</p> <p>Key lines of enquiry don't deliver expected savings.</p> | <p>Increased pressure on Programme to deliver additional savings. Reduced resources and management focus on programme potentially leading to delays and impact on delivery of outcomes and savings.</p> | 15 | <p>Resource planning to ensure adequate levels of resource to support the delivery of projects which have MTFP savings as outcomes.</p> <p>Prioritise projects with MTFP savings within the Improvement and Transformation Programme and the associated delivery plans.</p> <p>Adopt a robust approach to monitoring forecasted savings through the Transformation Board reporting mechanism. To enable early identification of impacted savings and mitigating activity.</p> | 8 |
| II | Improvement and transformation plan does not demonstrate to DLUHC the ability to deliver the Council's key objectives and secure the medium-term financial position. | <p>The plan does not cover the key elements required by DLUHC.</p> <p>MTFP savings cannot be achieved.</p> | <p>Assurance not provided to DLUHC resulting in exceptional financial support (capitalisation direction) unable to be approved. Leading to the</p> | 10 | <p>Ensure all key elements required by DLUHC are contained within the plan, including Productivity and external assurance recommendations / actions.</p> <p>Seek feedback from DLUHC on the draft plan to enable</p> | 6 |

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| | | | Section 151 Officer issuing a Section 114 notice. | | continuous development and well in advance of the August deadline. | |
| III | Insufficient budget to fund redundancies | Lack of sufficient funding for the programme and no receipt of the Capitalisation Directive | <p>VR Programme is paused temporarily or withdrawn completely Cannot initiate redundancies without a budget to fund them.</p> <p>Without redundancies, savings associated with workforce reduction will not materialise.</p> <p>Inability to deliver the £40m savings targets in 25/26 or delay savings.</p> <p>Delays to deliver a leaner more efficient Council.</p> | 20 | <p>The Council was meant to receive the outcome of the Capitalisation Directive request from DLUHC in March, however, is still yet to hear as at 1.5.24.</p> <p>The S151 is pushing to receive this. Should the Council not be successful in being granted this request, the Council will look to fund from the Use of Flexible Capital Receipts.</p> <p>Capital receipts from the sale of assets in 2024/25 have been identified in line with the financial strategy, however the Asset Management Team are currently forecasting the profiling of this receipt of income based on proposed sales so far, to ensure appropriate timing of cash in the bank to support the MTFP and redundancies agreed.</p> <p>The mitigating risk score was reported to Audit Committee and Scrutiny in May as 20 however,</p> | 12 |

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| | | | | | <p>following a further review of this risk the score has reduced to 12 for the following reasons:</p> <ul style="list-style-type: none"> • Every council that has requested Exceptional Financial Support from DLUHC in the form of a capitalisation direction have been supported, • we have a forecast of capital receipts from the disposal of assets including commercial properties that are actively managed through the Property and Investment Executive Sub Committee and Asset Management Group. • there is a strategy in place for disposal of assets to generate capital receipts that could be used via flexible use of capital receipts policy • we have £14m in the bank of capital receipts at present to cover the first batch of Voluntary Redundancy costs and we are anticipating over £25m of capital | |
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| | | | | | receipts from disposals that are close to being finalised. | |
| IV | Lack of resources within the Workforce Directorate | Exit of staff through attrition and the Voluntary Redundancy scheme. | Workforce programme doesn't achieve its outcomes/benefits as expected. Insufficient resource to deliver the necessary change or outcomes put forward by the workforce programme leading to the outcomes/benefits not being achieved. | 12 | Resource planning completed at the outset of the Programme and continually reviewed. | 5 |
| V | Inability to deliver council priorities | Lack of planning and sequencing of activities to understand what the priorities are and when, based on available resource. | Effort and time is spent on non-priorities and outcomes of the programme are not achieved | 12 | Review corporate priorities with members Understand impacts of organisational changes Strategic approach to prioritisation and resourcing to effectively sequence and execute change. | 5 |
| VI | Unmotivated workforce | Volume of change | People being accepted for VR and waiting to leave | 25 | Supporting people through change workstream mobilised focusing on staff personas (groups impacted differently by change) and providing | 12 |

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| | | | <p>Teams reducing in numbers due to VR and leaving teams overstretched and under resourced</p> <p>Current environment not conducive for a motivated workforce Unable to meet the need of our customers (residents, members, staff, vulnerable etc)</p> | | <p>targeted support to ensure motivation remains.</p> <p>Regular management and staff briefings. Managers encouraged to lead by example and engage their staff.</p> <p>Monthly all staff Q&As led by the Chief Executive.</p> <p>Shout outs – where staff can recognise, and others help and good work</p> | |
| VII | Pace of the programme doesn't allow for quality outcomes | Having to complete an entire top to bottom restructure in such a short space of time Programme outcomes have to be MOSCOW prioritised. Unrealistic expectations of delivery. | <p>Left with insufficient resource to deliver the outputs</p> <p>Programme activities not correctly sequenced Programme outcomes/benefits not achieved.</p> <p>Potential blockers or obstacles are identified Increase likelihood to make mistakes which are detrimental to the programme outcomes</p> | 15 | <p>Programme governance/structure now in place with regular catch ups/joined up conversations taking place.</p> <p>Fail fast and recover quickly through team engagement.</p> <p>Reflecting on mistakes and discussing lessons learned so they are not repeated.</p> | 4 |

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| | | | risk of not remaining 'legal' | | | |
| VIII | Current LGR restructuring approach doesn't align to the 'Blueprint' and Structural Design Principles | Continuation of LGR restructure (planning, finance, strategic assets, partnership, and localities), TUPE devolution, service consolidation. | <p>Inconsistent approach to restructuring Confusion for people in determining if they should volunteer for redundancy</p> <p>Workforce capacity to deliver various exits from the organisation.</p> | 16 | <p>Workforce and New Org Design Programmes collectively review restructuring approach and viability of continuing with existing restructures.</p> <p>Most LGR restructures stopped at Tier 4 and all service structures are being reviewed by the Design Authority against the design principles.</p> | 9 |
| IX | Insufficient resource to deliver business as usual following permanent exit of resource | Permanent exit of people through voluntary and compulsory redundancy reducing head count when entering the key annual summer holiday period. | <p>Inability to achieve KPI's</p> <p>Inability to meet demand</p> <p>Reputational damage</p> <p>Impact on health and wellbeing</p> <p>Higher levels of sickness</p> <p>Annual leave cancelled</p> <p>Unable to meet the</p> | 16 | <p>Manage voluntary and compulsory redundancy with phased exits</p> <p>Review corporate priorities with members</p> <p>Understand impacts of organisational change by reviewing service standards, performance indicators and service plans.</p> <p>Strategic approach to prioritisation and resourcing to</p> | 12 |

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| | | | need of our customers (residents, members, staff, vulnerable etc) | | effectively sequence and execute change | |
| X | Insufficient resources and capacity to deliver the programme | Permanent exit of people through VR with either specific and key skills needed to deliver the programme from Programme/Project/ICT/Digital/Delivery through to Service Subject Matter Experts and Customer Service to be the voice of the customer/service user. | <p>Left with insufficient resource to work at pace or deliver the programme activity</p> <p>Inability to meet demand / will not meet project programme benefits on time</p> <p>Reputational damage Impact on health and wellbeing</p> <p>Higher levels of sickness Annual leave cancelled</p> <p>Unable to meet the need of our customers (residents, members, staff, vulnerable etc)</p> | 16 | <p>Review corporate priorities with members Understand impacts of organisational change by reviewing service standards, performance indicators and service plans.</p> <p>Strategic approach to prioritisation and resourcing to effectively sequence and execute change.</p> <p>Programme activity is prioritised against corporate priorities taking into consideration corporate capacity and skills capabilities.</p> <p>Interim specialist support at a senior level in place until December 2024 to support programme delivery in the Workforce team.</p> | 9 |

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| XI | Excessive loss of staff with talent and organisational knowledge | People leave the organisation ahead of the process or without proper handover | Service standards are affected with associated reputational risk and organisational memory is lost leading duplication of effort. | 15 | A Knowledge Retention & Transfer Toolkit has been developed to capture and retain organisational knowledge. The toolkit will help those who are leaving to collate relevant information and to agree with their colleagues and manager how this will be shared with the team or where it will be stored for future use. VR exits will be phased between May and November 2024 to enable sufficient handover and knowledge capture. | 12 |
| XII | Damage to Trade Union relations and risk of industrial action | Failure to consult and engage | Loss of trust Loss of confidence in management | 12 | Engagement with Trade Unions on a regularly basis throughout the process both formally and informally. | 6 |
| XIII | Voluntary Redundancy - Value for money not evidenced | Failure to forecast the costs (including all contributing factors such as pension strain) | Insufficient budget and an extended payback period leading to non-delivery of | 15 | An accurate forecast utilising staff pay data, redundancy costs and pension strain (where appropriate) has been developed and used to inform decision-making. | 6 |

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| XIV | Multiple and continuous activity and asks on staff to provide feedback via consultations or staff survey to support new organisation | Pace of whole organisational change being undertaken | <p>Survey/consultation fatigue Engagement in the consultation process decreases leading to reduced completion rates and all stakeholder opinions not being fully understood. Survey results aren't trusted due to low input and could be perceived as biased, if only completed by a single stakeholder group. Staff retention reduces due to perception off all impacts not being considered. Impact on health and wellbeing of staff being asked to shape a new organisation which they may not be apart off.</p> | 12 | <p>Understanding of potential surveys/consultations planned and ensuring only those that are a 'must have' take place.</p> <p>Consolidating surveys where possible</p> <p>Sequencing them so we don't have them all at once.</p> <p>Strong comms and engagement to promote the reasoning and justification for the survey/consultation.</p> | 6 |
| XV | Payroll costs continue to increase despite key lines of enquiry to reduce workforce costs being implemented | Process, procedures and measure put in place are not followed by Managers. | Savings not achieved leading to the costs exceeding the available resources resulting in the Section 151 Officer | 15 | <p>ERCB to remain in place to control recruitment and establishment requests.</p> <p>Resource planning to ensure adequate levels of resource to support the delivery of saving initiatives.</p> | 8 |

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| | | | issuing a Section 114. | | Design Authority to act as assurance forum to ensure savings are on target and continue to run targeted review panels (VR / vacancies / agency).. PMO to implement / support in benefits tracking process. | |
| XVI | Unable to reach agreement with the TUs on the VR/CR scheme details including the criteria and approach to decision making | Lack of meaningful consultation and/or inability to reach agreement | Damaging the relationship with the TUs as scheme will need to be implemented even if agreement not reached | 15 | Ensuring TUs are part of the consultation/pre-consultation process. Compliance with the Trade Union 11-point consultation principles. | 3 |
| XVII | New structures are not affordable | Structures are designed without proper costings in line with budget saving requirements | Savings requirements are not delivered Further restructuring is required | 8 | Design options modelled against savings requirements | 6 |
| XVIII | Excessive governance and inability to get decisions sighted/or signed off by relevant stakeholders in line with programme timescales | Governance and purpose of meetings not defined/clear so programme stakeholders are unsure where decisions/updates need to go | Impacts on delivery timelines and ability to achieve £40m savings target | 15 | Early engagement/liaison with Dem Services. Working with all workstreams to ensure detailed plans are developed so decision points are mapped at the earliest opportunity | 8 |

*References are to aid Executive. Risk System reference are being added.