

SCC Audit Committee

19th January 2023

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Ask of Audit Committee :

- To note the outcome of the SWAP report on programme risks
- To note the changes being made to the programme risk register including
 - The revised programme level risks
 - The transitional risks
 - The new risks identified as the programme moves to vesting day

Key points for discussion:

- The SWAP report
- The changes being made to the risk register

SWAP report – December 2022

- Requested by Programme Director to ensure that the current process for managing risks for the LGR programme are:
 - Effective
 - That there are sufficient controls and actions to mitigate risk and there is evidence to ensure that this is being done
 - That the risks and subsequently controls and actions are regularly monitored

This was a non-opinion advisory piece of work as independent assurance that the framework and process set up delivers an effective response to the risks faced given the size of the programme

Conclusion

‘Overall risk management is reasonably effective in managing the LGR programme although there are some areas for improvement. There is a Risk Management Framework in place, and our review demonstrates that risks are being added to the risk register and reviewed by the relevant boards as well as SCC Audit Committee. Survey results were positive in this area indicating regular discussion of risks. It is clear that the higher-level programme risks and strategic risks are an area of focus for monitoring. However we have found weaknesses in the completeness of the risk register and how actions and controls are documented, owned and monitored lower in the governance structure’

The whole report can be seen as appendix to this report.

SWAP report - action plan with update on progress

Area of focus: Effectiveness of Risk Management Framework				
SWAP Action	LGR Action	Owner	Date	Update
<ul style="list-style-type: none"> Work with People, SAI, and Property to increase confidence in this area 	<ol style="list-style-type: none"> Revised and refresh the Risk Management Framework, aligning where needed to the framework for the new Council, as well revision of the risk register to simplify it on SharePoint 	AF	31/1/23	Will be done in readiness for presentation to PMO team 12 th Jan
<ul style="list-style-type: none"> Remove fields of limited value to risk register, especially where they are not routinely populated For the remaining fields, instigate a process to validate missing fields 				
<ul style="list-style-type: none"> Ensure there is a clear process to identify and prioritise risk that are relevant to the delivery of LGR products due by 1st April 	<ol style="list-style-type: none"> Undertake a piece of work for programme risks that identifies relevant products and add these as mitigation with relevant delivery dates 	AF/SH/RR	31/1/23	Starting w/c 9 th Jan with support from RR
<ul style="list-style-type: none"> Risks that are not LGR Programme risks need to be identified, dissociated with the programme and passed over for assessment and evaluation by Somerset Council risk group 	<ol style="list-style-type: none"> Create the transitional register for the programme and move risks to this register where it is clearly identifiable that the risk will exist beyond the 1st April, using session below with PM to identify anything further 	AF	31/1/23	Created following review with Programme Director and PMO leads, include in report

SWAP report - action plan with update on progress

Area of focus: Controls and actions in place to mitigate risk				
SWAP Action	LGR Action	Owner	Date	Update
<ul style="list-style-type: none"> Provide a definition for control and further action within the RM framework 	1. This will be reflected in the Risk Management Framework for the new Council	AF	31/1/23	Presentation 12 th Jan
<ul style="list-style-type: none"> Add a due date for completing further actions, which can move over to controls upon completion 	1. Work with PM for each workstream and work through their workstream risks to: <ul style="list-style-type: none"> - Ensure controls and actions are correct - That any relevant delivery dates are added for actions as well as action owners - Identify any links to products - Work to understand how controls and actions are monitored at a WS level - Record this for each workstream to give overview of how this work in undertaken - Understand role of workstream board in monitoring risks, with focus on controls and actions 	AF Workstream PM's - AM, AP, RR, KJ, AM,SL, JS, CL	31/1/23	Start work post 12 th Jan presentation to PMO team Products work will start w/c 9 th Jan
<ul style="list-style-type: none"> Ensure all further actions included in the risk register have a named officer responsible for overseeing the delivery of the actions 	As above			
<ul style="list-style-type: none"> Ensure that there are target timescales for delivery of further actions 	As above			
<ul style="list-style-type: none"> Controls and mitigating actions need to be strengthened throughout the risk register to allow better oversight and challenge for monitoring 	As above			
** From monitoring arrangements for risks, controls and actions				

Moving forward towards 1st April 2023

With Vesting day fast approaching, and as the programme work towards business readiness, the opportunity has been taken to review programme risks

1. Review of programme level risks to determine what risk remains to the programme
2. Creation of a transitional register, picking up risks from across the programme and workstreams, that are being mitigated by the delivery of the products but will move into the registers of the new Council
3. Assessment of new programme risks connected to Business Readiness

Overview of changes made – Jan 2023

Programme risks

- 14 risks now on the revised register
- 4 moved to a transitional register
- 2 risks closed -risks 21 and 27

Transitional risks

- 4 former programme level risks now moved to the transitional register

New programme level risks identified

- 13 new risks identified following exercise to of the 8 pillars of day one success

The revised registers for the programme and transitional are set out below with the new risks identified

Revised Programme Level risk register – Jan 2023

Ref	Risk description	I	R	Commentary
10	There is a risk of a significant budget gap for new Somerset Council in 2023/24 when Districts and County budgets combined, significantly impacting the financial sustainability of the new unitary	20	8	Reduced residual score to 8 following balanced budget. Will move to transitional risk once budget agreement towards end of Feb
11	The risk that there are insufficient people resources to implement LGR Programme and deliver the approved business case	20	9	Remains a current risk
13	Unforeseen emergency or business continuity interruption or rising tide situation that requires staff to be directed from the day job into incident response.	16	12	Remains a current risk
15	Failure of workstreams/projects to achieve their expected financial benefits as described in business case	16	12	Remains a current risk
19	Design/products to create new unitary council will not have the community as the central focus in the design of the new operating model	12	8	This risk will be further reviewed following Executive on the 18 th January
23	The risk that non-delivery or late delivery of key LGR products that other workstreams are dependant on	12	12	Remains a current risk

Revised programme risks – Jan 2023

Ref	Risk description	I	R	Commentary
25	The risk that BAU activity within the Councils is impacted by stretched staff resources balancing LGR and BAU work	20	9	Remains a current risk
26	The risk that the back-office ERP (Enterprise Resource Planning) system not sufficiently implemented to support the new authority—follow up	16	8	Remains a risk but a review will be undertaken with Finance to determine whether remain a programme risk
103	Agreement not reached with Trade Unions on pay scales/terms and condition for new Council staff			Remains a risk but wording changes to be made to identify wider risk around the Unions
111	The risk of overspend on the £16.5 m LGR implementation budget	16	12	Remains a risk
139	Inter-dependencies between workstreams not managed effectively	12	6	Remains a risk
309	The risk that there is insufficient capacity to manage the people side of change	16	12	Remains a risk
358	The risk that the process of appointments to T2/T3/T4 roles could result in an employment claim if process is not followed properly	16	12	Remains a risk
367	The risk that the 5 councils will overspend in 22/23 and have to use reserves	25	16	Remains a risk

Transitional risks

Ref	Risk description	Inherent	Residual	Commentary
12	Loss of staff from County and District Councils deemed essential to the programme delivery	20	16	A review of the wording of this risk will be undertaken
14	Loss of opportunity to align public and VCSE services to new operating model and outcomes as defined in the Business Case	16	12	A review of the wording of this risk will be undertaken
22	The risk that delivery of ICS implementation is not effectively joined-up with LGR implementation	9	9	
228	Lack of a decision around contracts that are reaching the end of their life between now and April 2024	20	9	

New Programme level risks

Day One success	Risks
Customer access the services they want and get the support they need	1. The risk that services will not be fully ready on vesting day
Somerset Council is operating safely and legally	
Staff and Members do their jobs, working well and staying safe	<ol style="list-style-type: none"> 1. The risk that there will not be visible and active leadership on vesting day and beyond 2. The risk that staff will be unclear who they report to on the 1st April
Somerset Council make effective and efficient decisions	<ol style="list-style-type: none"> 1. The risk that decision making will be unclear and confused 2. The risk that decision makers will have insufficient knowledge and experience of the services that they represent, causing potential delays in decision making 3. The risk that Members will lack knowledge and understanding of district services to make decisions at Executive level

New programme level risks

Day One success	Risks
Staff and Members are positive ambassadors	<ol style="list-style-type: none"><li data-bbox="1251 396 2333 494">1. The risk that staff moral and resilience will be at a low ebb, impacting their wellbeing<li data-bbox="1251 511 2354 608">2. The risk that staff will be unclear what the role will be in the new authority
Staff are uniting as one team	<ol style="list-style-type: none"><li data-bbox="1251 628 1997 665">1. The risk of capacity and resource issues<li data-bbox="1251 682 2175 719">2. The risk that staff will not work together as teams<li data-bbox="1251 736 2321 833">3. The impact of MTFP savings on staff and their ability to do their jobs
Customers have a positive experience	<ol style="list-style-type: none"><li data-bbox="1251 859 1854 896">1. The risk to continuity of service
Staff and Members have a positive experience	<ol style="list-style-type: none"><li data-bbox="1251 933 2354 1086">1. The risk that Members will have not sufficient understanding of the range of services that the new Council will provide

Questions/Recommendations

1. Questions
2. Recommendations:
 1. To note the SWAP report and the actions being taken
 2. To note the changes to the programme risk register, the move of some risk to a transitional register
 3. To note the new risks identified based on day one success