

# Programme Risk Update

Friday 29<sup>th</sup> July 2022

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## Ask of the Implementation Board:

- To note the 17 current risks on the register
- To determine if there are any other risks that should be considered
- To determine frequency of updates of programme level risks to the Board

## Key points for discussion:

1. General update on risks and the development of the programme level risks
2. Overview of the current programme level risks
3. Overview of how they are monitored

# Risks

For this specific programme the definition of risk is:

*The effect of uncertainty on objectives*

Or in other words....

A potential for something to occur that can have an impact on what you are trying to deliver

# Introduction to the approach taken in presenting Programme Level Risks

Reports to Programme Steering Group and Programme Board include

1. Dashboard – in effect a high level overview of
  1. The number of programme level risks and which workstream carries the risk
  2. An overview of the residual scores and identification of the highest level of residual risks
  3. An overview of workstream risks
2. An overview of all programme level risks
  1. A more detailed overview of each of risks including controls and actions that are in place

# LGR Risks - July 2022

## Programme Level Risks:

Overview of total number of risks:

Workstream	Total N
Finance	4
People	3
SAI	3
CCP	2
PSG/PMO	5

Residual likelihood Score of Programme level Risks

Remote	Unlikely	Possible	Probable	Certain
0	4	10	2	1

Likelihood score	Programme level risk
Probable	<ol style="list-style-type: none"> <li>Loss of staff</li> <li>Unforeseen emergency</li> </ol>
Certain	<ol style="list-style-type: none"> <li>Budget gap</li> </ol>

## Workstream Risks:

Overview of total number of risks:

Workstream	Total number of risks
People	26
CCP	14
SAI	31
Finance	20
Assets	25
Governance	14
<b>Total:</b>	<b>149</b>

Category	Workstream	Risk Title	Cause	Effect	Risk Owner (Group)	Controls (Mitigating Actions)	Further action required	Risk Before Mitigation	Residual Risk	Risk ID
Benefits - Cash	Strategic Risk	<b>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</b>	<ul style="list-style-type: none"> <li>- Councils use once-off sources of funding to balance their 2022/23 budgets which creates a budget 'gap' for 2023/24 for Somerset Council</li> <li>- National changes in how councils are funded due April 2023</li> <li>- Costs of demand &amp; inflationary pressures increase above previous forecasts</li> <li>- Short term approach to borrowing for longer terms needs in rising interest rate environment</li> </ul>	Reductions in service budget and levels	Finance Workstream	<ul style="list-style-type: none"> <li>- Development of 2022/23 baseline budget for new Council by end of May 2022 to provide basis for the development of MTFP for new Somerset Council and the 2023/24 budget</li> </ul>	<ul style="list-style-type: none"> <li>- Finance &amp; Assets Protocol in place across the 5 councils</li> <li>- S24 notice from DLUHC which takes effect from May 2022</li> <li>- Budget Monitoring processes in the 5 councils</li> </ul>	Very High	Very High	10
Cost	Strategic Risk	<b>Loss of staff from County and District Councils deemed essential to the programme delivery</b>	<ul style="list-style-type: none"> <li>- Staff leave due to uncertainty</li> <li>- Loss of key staff with specific skills and knowledge</li> </ul>	<ul style="list-style-type: none"> <li>- Delays in the delivery of the Programme implementation plan</li> <li>- Additional cost of resourcing eg temporary labour</li> <li>- Knock-in impacts to BAU service delivery</li> <li>- Insufficient level of experience and expertise to deliver the new council operations</li> </ul>	People Workstream	<ol style="list-style-type: none"> <li>1. Analysis of staff on fixed term contracts to 31/3/23</li> <li>2. Explore mutual aid</li> <li>3. Appointment of Chief Executive for SCC and new Council agreed by Full Council end of July 2022</li> </ol>	<ul style="list-style-type: none"> <li>- Use of interim staff</li> <li>- Redeployment</li> <li>- Recruitment Protocol</li> <li>- Staff engagement to support development of culture (building on existing culture) throughout the lifetime of the programme</li> </ul>	Very High	High	12
Benefits - Cash	Strategic Risk	<b>Failure of workstreams/projects to achieve their expected financial benefits as described in business case (£18.5m p.a. after 2 years)</b>	<ul style="list-style-type: none"> <li>- Significant Workstream failure.</li> <li>- Loss or non-delivery of Essential products.</li> <li>- Unrealistic expectations of benefits assigned to workstreams or products</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of achievement of promised overall programme benefits.</li> <li>- Programme does not meet stakeholder expectations</li> </ul>	Finance Workstream	<ul style="list-style-type: none"> <li>- Robust benefits realisation plan in place</li> <li>- Early modelling / forecasting of cash-benefits</li> <li>- Monitoring through programme reporting framework including escalation and intervention</li> <li>- Dedicated LGR Programme Manager (now in post)</li> </ul>	Tranche 1 products agreed Work on Tranche 2 products started	High	High	15
Quality	Strategic Risk	<b>Loss of opportunity to align public and VCSE services to new operating model and outcomes defined in the Business Case</b>	Ineffective partnership working / poor relationships between the five Somerset councils; partnership working between SCC and Police, Fire, CCG, Acute Hospital Trusts, ICS, and VCSE.	<ul style="list-style-type: none"> <li>- Reduced financial and non-financial benefits.</li> <li>- Poor relationships between partners and new authority.</li> <li>- Transformational opportunity lost, delayed or reduced</li> <li>- Negative impact on cross cutting outcomes for communities</li> <li>- Reputational damage for new Council</li> </ul>	Communities, Customers and Partnership Workstream	<ol style="list-style-type: none"> <li>1.Ensure LGR Advisory Board remains inclusive, transparent and accessible (CCP)</li> <li>2.Stakeholder management plan(s) for critical products and across workplans (CCP)</li> <li>3.External communications on purpose and benefits of the LGR programme (Comms)</li> <li>4. Senior officer engagement with VCSE and partners (CCP)</li> <li>5. VCSE and public voice represented (CCP)</li> <li>6. Use of the Customer Panel to hear the voice of the public and users (CCP)</li> </ol>	<ol style="list-style-type: none"> <li>1.Complete partner and stakeholder mapping exercise (CCP)</li> <li>2.Targeted engagement with all strategic partners (CCP)</li> <li>3.Effective ongoing communications with all stakeholders about LGR programme and its objectives (Comms)</li> <li>4.Effective LCN's</li> <li>5.Services thinking about the relationship with the public and VCSE in design and delivery (SA)</li> </ol>	High	High	14
Quality	Strategic Risk	<b>Design / products to create the new unitary council will not have the community as a central focus in the design of the new operating model</b>	Focus is disproportionately on 'safe and legal' service delivery /Legacy ways of working are carried forward to implementation of the new authority	<ul style="list-style-type: none"> <li>- Organisational culture is not community focussed</li> <li>-Inefficient partnership working.</li> <li>- Poor outcomes for communities.</li> <li>- Failure to deliver planned business case benefits</li> </ul>	Communities, Customers and Partnership Workstream	<ol style="list-style-type: none"> <li>1.Engagement with all workstreams to secure agreement / recognition that communities focus goes beyond 'safe and legal' (CCP)</li> <li>2. Ensure interdependencies are identified and managed, through iterative discussion and collaboration (CCP)</li> <li>3.Specifically, engage with People workstream to support an ethos and culture of communities and customers first (CCP/People)</li> <li>4.Involve customers and communities in the design of products and services (CCP)</li> <li>5.Learn from customer experience and feedback (CCP)</li> <li>6.Develop sound business cases to underpin sufficient resourcing to deliver communities focused objectives (CCP/Finance)</li> </ol>	<ol style="list-style-type: none"> <li>1. Programme and workstream checkpoint review criteria</li> <li>2. Ensure LGR Advisory Board remains effective, inclusive, transparent and accessible (PSG)</li> <li>3. Embdoy community focus as a critical requirement of operating model development through workshops, research and engagement (CCP)</li> <li>4. Ensure TOM development reflects emerging customer strategy and principles (CCP)</li> </ol>	High	High	19
Scope (Programme Deliverables)	Strategic Risk	<b>Unforeseen emergency or business continuity interruption or rising tide situation that requires staff to be directed from the day job into incident response.</b>	Civil Contingency / external event requiring standing up of councils resources	<ul style="list-style-type: none"> <li>- Inadequate resources in project delivery</li> <li>- Lack of management capacity</li> <li>- Reallocation of programme or existing council resources to support response and recovery</li> </ul>	Service Alignment Workstream	<ol style="list-style-type: none"> <li>1. Create and maintain a Business Continuity Plan (BCP) for the LGR Programme (signed off by Programme Board) including: Engagement with Workstreams to develop the BCP, Engagement with Somerset Local Authorities Civil Contingencies Unit to ensure alignment with wider BCP arrangements across the programme and 5 councils, internal comms to ensure awareness and buy-in for BCP, and desktop test of BCP. (Resource constraints have delayed completion of this piece of work however more staff have been approved for PMO)</li> </ol>	<ol style="list-style-type: none"> <li>1.Programme Board overview of programme and escalation as appropriate from Steering Group and PMO.</li> <li>2.Existing business continuity arrangements in each authority</li> </ol>	High	High	13

Category	Workstream	Risk Title	Cause	Effect	Risk Owner (Group)	Controls (Mitigating Actions)	Further action required	Risk Before Mitigation	Residual Risk	Risk ID
Scope (Programme Deliverables)	Strategic Risk	<b>The risk that the back-office ERP (Enterprise Resource Planning) system not sufficiently implemented to support the new authority</b>	- Failure to ensure new Microsoft Dynamics finance system in place for 1 April 2023	- Inability to pay invoices, raise invoices and monitor spending during the year	Finance Workstream	<b>Continued close management of implementation partner against published programme, clear governance and oversight including third party, independent governance role all reporting in to formal Steering Group</b>	Implementation plan that delivers in excess of the minimum viable product	High	High	26
Quality	Strategic Risk	<b>Lack of a decision around contracts that are reaching the end of their life between now and April 2024</b>	No strategic decision has been taken about what to do with contracts that need renewing before April 2024 and in some cases, have already been extended once.	Reduction in service levels	Service Alignment Workstream		Engage with finance and procurement sub workstreams to ensure that decisions are made that allow sufficient time to put contracts/arrangements in place and to mobilise.	Very High	Medium	228
Scope (Programme Deliverables)	Strategic Risk	<b>The risk that there are insufficient people resources to implement LGR Programme and deliver the approved business case</b>	- the programme not seen as BAU and the no 1 priority by council members and chief officers (all 5 councils) - Staff not released from normal operational duties - Insufficient capacity within legacy councils - Lack of resilience across assigned workforce	- programme not delivered to quality, time and cost - non-cash and cash benefits not delivered - Delays in the delivery of the Business Case objectives or compromised quality delivered - Additional cost of temporary staffing to fill resource gaps - Unmanageable workloads on staff	People Workstream	1.Programme checkpoint review to identify resource requirements by work stream and function. This will inform the following:- Recruitment Protocol and its application across the five councils 2. Resource Management Plan 3. Strong programme management and reporting to allow identification and resolution of potential staffing issues 4. Work across all 5 councils to pause or cease activity, or rescope within LGR programme to deliver greater benefit 5. Resource constraints to be reviewed and escalated weekly to CEOs and the programme board. To be reported to members at each Joint Committee 6. Removal of duplication across the programme	1. early definition of resource requirements (capability and capacity) as part of gateway 2. Validation of 1 with PwC as QA partner incorporating lessons learned from previous LGR programmes 3. Resource shortfalls to be raised to five CEOs to address 4. Interim labour arrangements to be defined as a fall back plan. 5. - Dedicated LGR Programme Manager (in post from Jan '22) 6. PwC as quality assurance partner in place from Dec '21. 7. 17 February 2022 agreement to fund additional PMO, project specific and subject matter expertise to the programme.	Very High	Medium	11
Benefits - Non-cash	Strategic Risk	<b>The risk that the LGR programme negatively impacts service provision and improvement activities of Children's Services and Adult Social Care.</b>	- Organisational and resource focus on these services is reduced or insufficient. - Services not drawn sufficiently into the programme. - Development of culture of the new authority fails to embrace these services	- Performance of service for vulnerable adults negatively impacted. - Poor external perceptions of quality of services. - Potential Government intervention	Programme Management Office Workstream	1.Modelling of interdependencies between programmes, reflected in respective plans 2.Active consideration within the emerging Target Operating Model	1. Strong communication within the programme 2. Adherence to project guidelines around Change Control, Benefits realisation and risk. 3. Horizon scanning 4. Cross-cutting involvement of senior managers across workstreams in particular Service Alignment and Improvement 5. Quarterly reporting to Programme Board 6. PMO engagement and participation with Integrated Care System Governance	High	Medium	21
Benefits - Non-cash	Strategic Risk	<b>Inter-Dependencies between workstreams not managed effectively</b>	Collaboration between different workstreams has been limited and further partnership working is required to define interdependencies between workstreams and clarify what input from SMEs is required.	Inability to deliver cross-cutting products successfully and therefore benefits not realised	Programme Management Office Workstream	Tranche 1 product dependencies to be assessed after Tranche 1 product list is signed off on 8th March 2022. Quality assurance of products list.	- Programme tranches developed to aid management of the overall programme - A process/approach for management of dependencies to ensure impacts of change (time/cost/quality) are easily understood at both workstream and programme level. Programme level - consider as part of Benefits realisation, PMO providing assurance against delivery of programme capabilities	High	Medium	139
Reputation / Political	Strategic Risk	<b>The risk that BAU activity within the Councils is impacted by stretched staff resources balancing LGR and BAU work</b>	- Poorly managed deployment of staff. - Pull on already insufficient capacity in existing councils. - Leadership teams unable to stand down activities deemed vital for local government delivery. - Failure to prioritise, pause, stop or rescope existing BAU and development work in the 5 councils - Government changes requiring action/implementation during transition	- Reduced capacity to deliver non-LGR activity to required quality. - Reputational harm to existing and new councils - Loss of staff owing to workload / disruption to services - Staff wellbeing	Steering Group	1. Recruitment protocol 2. Staff engagement at local level 3. BAU processes at local level to ensure any additional work is scrutinised before agreeing to continue 4. Monitoring key performance indicators for any drop off in service provision		High	Medium	25

Category	Workstream	Risk Title	Cause	Effect	Risk Owner (Group)	Controls (Mitigating Actions)	Further action required	Risk Before Mitigation	Residual Risk	Risk ID
Scope (Programme Deliverables)	Strategic Risk	<b>The risk that non-delivery or late delivery of key LGR products that other workstreams are dependent on</b>	<ul style="list-style-type: none"> <li>- Complexity of the programme not fully understood (no critical path).</li> <li>- Time pressure not allowing full analysis of interdependencies across products, projects and workstreams.</li> <li>- Lack of understanding of key dependencies within the project workstreams.</li> <li>- Lack of detail in product lists.</li> <li>- Assumptions that work is being delivered elsewhere</li> </ul>	<ul style="list-style-type: none"> <li>- Missed opportunities.</li> <li>- Siloed working.</li> <li>- Failure to deliver key products.</li> <li>- Delays to workstreams and ultimately the programme.</li> <li>- Re-engineering of solutions / rework required</li> </ul>	Programme Management Office Workstream	<ul style="list-style-type: none"> <li>- Robust programme and project planning</li> <li>- Modelling of interdependencies incorporated into work plans and must have</li> <li>- Adequate resourcing of programme staff with appropriate capabilities and capacity to deliver workplans</li> <li>- Utilise Lessons learned from other programmes.</li> <li>- Dedicated LGR Programme Manager (now in post)</li> </ul>	Reliable critical path is available, with regular opportunities to monitor and course-correct when necessary. Regular opportunities for project managers to review with workstream and sub-workstream leads. Review of workstream and programme scorecards	High	Medium	23
Scope (Programme Deliverables)	Strategic Risk	<b>Uncontrolled change to the scope of the LGR programme</b>	<ul style="list-style-type: none"> <li>- Changes to programme or workstream scope made outside of agreed tolerances for escalation or decision-making</li> <li>- Inadequate impact assessment of any proposed change</li> </ul>	<ul style="list-style-type: none"> <li>- Failure to deliver the new council to agreed time, cost and quality.</li> <li>- Failure to deliver agree financial and non-financial benefits.</li> <li>- Missed transformation opportunities for the new authority</li> <li>- Impact on capacity of teams to manage and deliver the programme: rework, wasted effort and reduction in shared understanding of programme priorities and required activity</li> </ul>	Steering Group	<ul style="list-style-type: none"> <li>- <b>Change Control framework (February '22) for the programme including shared ownership by all programme staff.</b></li> <li>- <b>Strong communication within the programme promoting adherence to guidelines around Change Control, Benefits realisation and risk.</b></li> <li>- <b>Quality assurance of workstream reporting</b></li> </ul>	Programme Implementation Manual outlining decision-making tolerances and purpose of change controlCurrent Programme governance arrangements: PMO, Programme Steering Group and Programme Board to identify and (Change control process to be in place from early February '22)	High	Medium	27
Scope (Programme Deliverables)	Strategic Risk	<b>The risk that there is insufficient capacity to manage the people side of change</b>	<ul style="list-style-type: none"> <li>- Capacity at management level</li> </ul>	<ul style="list-style-type: none"> <li>- Where programme outcomes and benefits results are dependent on collective, proficient, sustained adoption of new ways of working</li> </ul>	People workstream	<ol style="list-style-type: none"> <li>1. Change management approach, quality framework and tools established and in use</li> <li>2. Supplementary offer to strengthen change capabilities started and will continue to evolve, e.g. targeted interventions and coaching, high risk, high need products in T1</li> <li>3. Validation of approach and priorities with PwC and our Unitary partners</li> <li>4. Working closely with comms and People workstream</li> <li>5. Plans in place to identify and collaborate with wider change assets across all organisations</li> <li>6. Mobilisation of tactical change management resource to work alongside and support existing network of change management across all organisations</li> </ol>	<ul style="list-style-type: none"> <li>-</li> <li>2. Evidence based approach to defining extent and impact of T1 products to define level of need and target resource where needed most</li> <li>3. Application of data and insight from across WS to build programme change plan and EIA support</li> <li>4. Embedding change management within current assurance processes practice and reporting</li> <li>5. Nominated Lead for People Change</li> </ul>	High	High	309
Scope (Programme Deliverables)	Strategic Risk	<b>The risk that delivery of ICS implementation is not effectively joined-up with LGR implementation</b>	<ul style="list-style-type: none"> <li>- Interdependency between ICS and LGR is not sufficiently understood or acted upon</li> </ul>	<ul style="list-style-type: none"> <li>- Failure to deliver programme to agreed time, cost and quality.</li> <li>- Failure to deliver expected benefits.</li> <li>- Missed transformation opportunities</li> </ul>	Service Alignment Workstream		<ul style="list-style-type: none"> <li>- Understanding of interdependencies incorporated into LGR work plans and must have</li> <li>- Adequate staff resource across both programmes with appropriate capabilities and capacity to address the work</li> </ul>	Medium	Medium	22
Cash	Risk	<b>There is a risk that legacy</b>		<ul style="list-style-type: none"> <li>- Threat to opening financial position of the council</li> </ul>	Workstream					

# Monitoring and review

Programme level risks are monitored and reviewed as follows:

1. Monthly reports to Programme Steering Group
  1. Discussions about the current risks on the register which can include reviews of current risks
  2. Identification of any new risks that the Group wish to further consider from which work will be undertaken to determine the risk and the actions being taken to reduce or mitigate the risk
2. Monthly reports to Programme Board
  1. Identification of any specific they wish to further consider or investigate
3. Weekly discussions with Programme Management Office
  1. Identification of any further mitigation or controls that need to be added
  2. Identification of any new risks for consideration
4. Discussions with workstreams as needed based
  1. Support to the workstreams on risks in general
  2. Identification of risks that need to be escalated to programme level
5. Working with PwC to align issues through their assurance work with Programme Level risks



# Recommendations

1. To note the 17 risks currently on the programme risk register
2. Identification of any further risks that the board wish the programme to consider
3. Identification of frequency of future reports to the Board