

LGR Implementation Board

20th December 2022

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Ask of LGR Implementation Board

1. To note the updates from the last meeting
2. To review narrative around risks 11 and 12 with People Representative
3. To review the risks on the current register
4. Determine what risks the Committee want to focus on at the next meeting

Key points for discussion:

1. Update since the last report, including review of risk 11 and 12
2. Dashboard review
3. Consideration of risk level and mitigations

For information: update from Joint Scrutiny Committee- 27th October 2022

Issues identified by Scrutiny Committee:

1. Risk 10
2. Programme level risks and strategic risks for the new Council
3. People representative – review of risk 11 and 12

Risk 10

Risk 10

Risk	Actions and controls	Links to products
<p>There is a risk of a significant budget gap for new Somerset Council in 2023/24 when districts and County budgets combine, significantly impacting the financial stability of the new Council</p>	<ul style="list-style-type: none"> • Finance and asset protocol across 5 councils • S24 Notice from DHLUC effective May 2022 • Budget monitoring processes in the 5 councils • Establishment control processes (People) • Development of 22/23 baseline budget for new Council, to provide basis for the development of MTFP for new Somerset Council and 23/24 budget 	<ul style="list-style-type: none"> • Fin 152 - 23/24 revenues and capital budgets and MTFP approved by council – on track - 24/2/23 • Fin156 – Council Tax harmonisation • Fin 138 – Business case savings phasing estimate agreed • Fin 156 – Benchmarked costed service structures • Fin 237 – Single HRA

Moving forward with this risk – this risk falls to be a risk for the new Council so looking to create a Transitional Risk Register, monitored by the programme that will go on to form the new risk register for the new Council

Programme level risks and strategic risks for the new Council

Risk Theme	Context	Link to programme risks
Data/Information Governance	<ul style="list-style-type: none"> Retaining data longer than needed Data breaches 	
Climate Change	<ul style="list-style-type: none"> Resources Not achieving net zero by 2030 	
Housing	<ul style="list-style-type: none"> Safety Homelessness – single people Supply – land 	
LGR	<ul style="list-style-type: none"> Resilience of the Council Managing BAU work 	<p>Risk 21 - The risk that the LGR programme negatively impacts service provision and improvement activities of Children’s Services and Adult Social Care.</p> <p>Risk 22 - The risk that delivery of ICS implementation is not effectively joined-up with LGR implementation</p> <p>Risk 25 - The risk that BAU activity within the Councils is impacted by stretched staff resources balancing LGR and BAU work</p>
Business Continuity	<ul style="list-style-type: none"> Failure to provide adequate local response Failure of supplier or contractor- implications for service delivery 	<p>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.</p>

Programme level risks and strategic risks for the new Council

Risk Theme	Context	Links to PL risks
Financial	<ul style="list-style-type: none"> Sustainable MTFP Volatility of Government Funding (Business rates, new home bonus) Management of commercial property portfolio HRA – Financial sustainability 	<p>Risk 10 – Risk of significant budget gap for new Somerset Council</p> <p>Risk 15 - Failure of worksteams/projects to achieve their expected financial benefits as described in business case (£18.5m p.a. after 2 years)</p> <p>Risk 367 - The risk of the 5 councils overspending on the 22/23 budget and having to use reserves</p>
Staff/people	<ul style="list-style-type: none"> Wellbeing Retention and recruitment Service failure due to single officer specialism Impact of the cost of living on staff 	<p>Risk 11 - The risk that there are insufficient people resources to implement LGR Programme and deliver the approved business case</p> <p>Risk 12 - Loss of staff from County and District Councils deemed essential to the programme delivery</p> <p>Risk 103 - Agreement not reached with Trade Unions on pay scales/terms and condition for new Council staff.</p> <p>Risk 309 - The risk that there is insufficient capacity to manage the people side of change</p> <p>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</p>
Customer/Community	<ul style="list-style-type: none"> Impact of cost of living 	<p>Risk 19 - Design / products to create the new unitary council will not have the community as a central focus in the design of the new operating mode</p>
ICT	<ul style="list-style-type: none"> Cyber security 	
Health and Safety	<ul style="list-style-type: none"> Water borne risks Failure in statutory compliance and practice 	
Others	<ul style="list-style-type: none"> Safeguarding of children Member lose focus on strategic priorities at district level Impact of Ukraine Failure to meet requirements of Equality Act Phosphates 	

Risks for further review

Risks 11 and 12 – People workstream

Ref	Risk Description	Impact on programme	Inherent score	Controls and actions	Residual score
11	The risk that there are insufficient people resources to implement LGR programme and deliver the approved business case	<ul style="list-style-type: none"> 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 Unmanageable workloads on staff 	20	<ul style="list-style-type: none"> Early definition of resource requirements (capability and capacity) as part of gateway Validation of 1 with PwC as QA partner incorporating lessons learned from previous LGR programmes Resource shortfalls to be raised to five CEOs to address Interim labour arrangements to be defined as a fall back plan. Dedicated LGR Programme Manager (in post from Jan '22) PwC as quality assurance partner in place from Dec '21. 17 February 2022 agreement to fund additional PMO, project specific and subject matter expertise to the programme. Mutual aid process in place Monthly scorecard resource identification 	9
12	Loss of staff from County and District Councils deemed essential to the programme deliver	<ul style="list-style-type: none"> Delays in the delivery of the Programme implementation plan Additional cost of resourcing eg temporary labour Knock-in impacts to BAU service delivery Insufficient level of experience and expertise to deliver the new council operations 	20	<ul style="list-style-type: none"> Use of interim staff Redeployment Recruitment Protocol Staff engagement to support development of culture (building on existing culture) throughout the lifetime of the programme Mutual Aid process agreed .Analysis of staff on fixed term contracts to 31/3/23 Explore mutual aid Appointment of Chief Executive for SCC and new Council agreed by Full Council end of July 2022 Working on T2/T3 appointments 	16

People risk 11 and 12 – narrative

Ref	Description	Narrative
11	The risk that there are insufficient people resources to implement LGR programme and deliver the approved business case	<p>Overall resourcing to the programme has remained stable with controls mitigating the risk, a small number of sub workstreams currently report inadequate resourcing that is being carefully monitored at programme level and escalated for action where required.</p> <p>Tier 2 & 3 appointments processes will secure staff to posts, with draft structures having now been shared with Programme Board for comment. The risk remains real, however, with pressure on resources due to demands on staff who are balancing priorities across the LGR with BAU responsibilities, alongside working through the MTFP.</p>

People risk 11 and 12 – narrative

Ref	Description	Narrative
12	Loss of staff from County and District Councils deemed essential to the programme delivery	<p>The Recruitment Protocol restricts recruitment outside of ‘exempt posts’ (those that require continued recruitment due to service demands and shortage professions e.g. planning, environmental health, social care, public health). Job evaluation requests will also be restricted from 1st November. Mutual aid is explored as part of recruitment protocol. The Recruitment protocol and list of exempt posts can be seen here (include link to Rec Protocol)</p> <p>The Chief Executive now being in post will enable more stability for staff, bringing clarity on strategic direction for key areas of the programme, including the high level organisational structure which has now been shared with Programme Board. TUPE consultation is intended to start in early November, messages to staff on timing and sequencing of restructuring will be communicated. This will lead to greater certainty for staff and mitigate the risk of staff being lost from key delivery roles. This is being enabled by strong, embedded programme communications, with communications leads assigned to all workstreams to ensure key messages are shared.</p> <p>The latest staff survey also shows positive improvement against the ADKAR methodology, which indicates that staff feel better prepared for moving through to the new authority than previously.</p> <p>Day 1 change readiness work is also underway to ensure that business and services readiness impacts are fully captured and understood.</p> <p>A Culture Navigator network has been established to strengthen ongoing staff engagement around the development of culture, and staff views captured through culture workshops are being used to shape strategies for the new organisation.</p>

LGR Implementation Board, 20th December

Number of programme level risks 20 - (Finance 4, People 6, SA1 3, CCP 2, PMO 5)

The following risks have a residual likelihood score of either certain, probable or possible

Ref	Risk description	Residual likelihood score
10	There is a risk of a significant budget gap for new Somerset Council in 2023/24 when districts and County budgets combine, significantly impacting the financial stability of the new Council	Certain
12	Loss of staff from County and District Councils deemed essential to programme delivery	Probable
13	Unforeseen emergency or business continuity interruption or rising tide situation that requires staff to be directed from day job into incident response	Probable
367	The risk of the 5 councils overspending on the 22/23 budget and having to use reserves	Probable
11	The risk that there are insufficient people resources to implement LGR programme and deliver the approved business case	Possible
14	Loss of opportunity to align public and VCSE services to new operating model and outcomes as defined in the business case	Possible
15	Failure of the workstreams/projects to achieve their expected financial benefits as described in business case	Possible
22	The risk that delivery of ICS implementation is not effectively joined-up with LGR implementation	Possible
23	The risk that non-delivery or late delivery of key LGR products that other workstreams are dependant on	Possible
25	The risk of BAU activity within the Councils is impacted by stretched staff resources balancing LGR and BAU work	Possible
27	Uncontrolled change to the scope of the LGR programme	Possible
111	The risk of overspend on the £16.5m LGR implementation budget	Possible
228	Lack of a decision around contracts that are reaching the end of their life between now and April 2024	Possible
309	The risk that there is insufficient capacity to manage the people side of change	Possible

LGR Implementation Board, 20th December 2022

1. Are there any specific risks that the Board would like to look at specifically at the next meeting?

Risk register as at November 2022

The following give the full detail of the current LGR programme risks
Please note this also includes Direction of Travel

Direction of Travel Indicator For month of October 2022

Descriptor	Meaning	Measurement
Red Arrow	Risk increasing	Changes made to score or residual score increased
Amber Arrow	No change	No actions being delivered or residual score remains the same
Green Arrow	Risk reducing	Actions being delivered or residual score reduced




Programme Level Risks - workstream: Finance

Date: October 2022

Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Direction of Travel indicator
10	There is a risk of a significant budget gap for new Somerset Council in 2023/24 when districts and County budgets combine, significantly impacting the financial stability of the new Council	<ul style="list-style-type: none"> Inability to set a balanced budget Reductions in service budget and levels 	20	<ul style="list-style-type: none"> Finance and asset protocol across 5 councils S24 Notice from DHLUC effective May 2022 Budget monitoring processes in the 5 councils Establishment control processes (People) Development of 22/23 baseline budget for new Council, to provide basis for the development of MTFP for new Somerset Council and 23/24 budget (20	
15	Failure of workstreams/projects to achieve their expected financial benefits as described in business case	<ul style="list-style-type: none"> Lack of achievements of promised overall programme benefits Programme does not meet stakeholder expectations Inability to set a balanced budget 	16	<ul style="list-style-type: none"> Robust benefits realisation plan in place Early modelling / forecasting of cash-benefits Monitoring through programme reporting framework including escalation and intervention Dedicated LGR Programme Manager in post Tranche 1 products agreed Work on Tranche 2 products started 	12	
26	The risk that the back-office ERP (Enterprise Resource Planning) system not sufficiently implemented to support the new authority	<ul style="list-style-type: none"> Inability to pay invoices, raise invoices, and monitor spending during the year 	16	<ul style="list-style-type: none"> Implementation plan that delivers in excess of the minimum viable product Continued close management of implementation partner against published programme Clear governance and oversight Independent governance oversight role by SOCITM Reports to formal steering group 	8	
367	The risk of the 5 councils overspending on the 22/23 budget and having to use reserves	<ul style="list-style-type: none"> Reduced reserves 	25	<ul style="list-style-type: none"> Regular budget monitoring 	16	New risk added October 2022




Programme Level Risks - workstream: Service Alignment




Date: October 2022



Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Direction of Travel
228	Lack of a decision around contracts that are reaching the end of their life between now and April 2024	<ul style="list-style-type: none"> Reduction in service levels 	20	<ul style="list-style-type: none"> 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. 	9	
13	Unforeseen emergency or business continuity interruption or rising tide situation that requires staff to be directed from the day job into incident response.	<ul style="list-style-type: none"> Inadequate resources in project delivery Lack of management capacity Reallocation of programme or existing council resources to support response and recovery 	16	<ul style="list-style-type: none"> 1. Create and maintain a Business Continuity Plan (BCP) for the LGR Programme (signed off by Programme Board) including: <ul style="list-style-type: none"> 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, Desktop test of BCP. (Resource constraints have delayed completion of this piece of work however more staff have been approved for PMO) 	12	
22	The risk that delivery of ICS implementation is not effectively joined-up with LGR implementation	<ul style="list-style-type: none"> Failure to deliver programme to agreed time, cost and quality. Failure to deliver expected benefits. Missed transformation opportunities 	9	<ul style="list-style-type: none"> Understanding of interdependencies incorporated into LGR work plans and must have Adequate staff resource across both programmes with appropriate capabilities and capacity to address the work 	9	




Programme Level Risks - workstream: People

Date: October 2022

Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Direction of Travel Indicator
12	Loss of staff from County and District Councils deemed essential to the programme delivery	<ul style="list-style-type: none"> Delays in the delivery of the Programme implementation plan Additional cost of resourcing eg temporary labour Knock-in impacts to BAU service delivery Insufficient level of experience and expertise to deliver the new council operations 	20	<ul style="list-style-type: none"> Use of interim staff Redeployment Recruitment Protocol Staff engagement to support development of culture (building on existing culture) throughout the lifetime of the programme Mutual Aid process agreed .Analysis of staff on fixed term contracts to 31/3/23 Explore mutual aid Appointment of Chief Executive for SCC and new Council agreed by Full Council end of July 2022 Working on T2/T3 appointments 	16	
11	The risk that there are insufficient people resources to implement LGR programme and deliver the approved business case	<ul style="list-style-type: none"> 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 Unmanageable workloads on staff 	20	<ul style="list-style-type: none"> Early definition of resource requirements (capability and capacity) as part of gateway Validation of 1 with PwC as QA partner incorporating lessons learned from previous LGR programmes Resource shortfalls to be raised to five CEOs to address Interim labour arrangements to be defined as a fall back plan. Dedicated LGR Programme Manager (in post from Jan '22) PwC as quality assurance partner in place from Dec '21. 17 February 2022 agreement to fund additional PMO, project specific and subject matter expertise to the programme. Mutual aid process in place Monthly scorecard resource identification 	9	
25	The risk that BAU activity within the Councils is impacted by stretched staff resources balancing LGR and BAU work	<ul style="list-style-type: none"> 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 	20	<ul style="list-style-type: none"> Recruitment protocol Staff engagement at local level BAU process at local level to ensure any additional work is scrutinised before agreeing to continue Monitoring key performance indicators for any drop off in service provision/performance Mutual aid process in place Monthly scorecard resource identification 	9	


Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
309	The risk that there is insufficient capacity to manage the people side of change	<ul style="list-style-type: none"> Where programme outcomes and benefits results are dependent on collective, proficient adoption of new ways of working 	16	<ul style="list-style-type: none"> Change management approach, quality framework and tools established and in use 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 Validation of approach and priorities with PwC and our Unitary partners Working closely with comms and People workstream Plans in place to identify and collaborate with wider change assets across all organisations Mobilisation of tactical change management resource to work alongside and support existing network of change management across all organisations Engagement with programme and WS leads to unite thinking and drive profile of people side of change as core competence of programme Evidence based approach to defining extent and impact of T1 products to define level of need and target resource where needed most Application of data and insight from across WS to build programme change plan and EIA support Embedding change management within current assurance practice and reporting Nominated lead for People change 	12	
103	Agreement not reached with Trade Unions on pay scales/terms and condition for new Council staff	<ul style="list-style-type: none"> Employer and Trade Union cannot reach agreement 	6	<ul style="list-style-type: none"> Consideration of plan B if agreement cannot be reached, including utilising Somerset CC terms and conditions 	4	
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	<ul style="list-style-type: none"> Reputational damage Cost implications for the new council Confidence levels of other colleagues in the appointment process to the new council 	16	<ul style="list-style-type: none"> Incoming new Chief Executive taking ownership of the risk SSDC Chief Executive taking on sponsor role for People workstream Regular reporting back to PB by People workstream Consultation with PB Consultation with Trade Unions on the procedures External legal advice being taken Member engagement in T2 appointments and 	12	

Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
14	Loss of opportunity to align public and VCSE services to new operating model and outcomes as defined in the Business Case	<ul style="list-style-type: none"> • Reduced financial and non-financial benefits • Poor relationship between partners and new authority • Transformational opportunity lost, delayed or reduced • Negative impact on cross-cutting outcomes for communities • Reputational damage for new council 	16	<ul style="list-style-type: none"> • Complete partner and stakeholder mapping exercise (CCP) • Targeted engagement with all strategic partners (CCP) • Effective ongoing communications with all stakeholders about LGR programme and its objectives (Comms) • Effective LCN's • Services thinking about the relationship with the public and VCSE in design and delivery (SA) • Ensure LGR Advisory Board remains inclusive, transparent and accessible (CCP) • Stakeholder management plan(s) for critical products and across workplans (CCP) • External communications on purpose and benefits of the LGR programme (Comms) • Senior officer engagement with VCSE and partners (CCP) • Use of customer panel to hear voice of the public and users (CCP) 	12	
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	<ul style="list-style-type: none"> • Organisational culture is not community focused • Insufficient partnership working • Poor outcomes for communities • Failure to deliver planned business case benefits 	12	<ul style="list-style-type: none"> • Programme and workstream checkpoint review criteria • Ensure LGR Advisory Board remains effective, inclusive, transparent and accessible (PSG) • Embodiment of community focus as a critical requirement of operating model development through workshops, research and engagement (CCP) • Ensure TOM development reflects emerging customer strategy and principles (CCP) • Engagement with all workstreams to secure agreement/recognition that communities focus goes beyond safe and legal (CCP) • Ensure interdependencies are identified and managed through iterative discussion and collaboration (CCP) • Specifically, engage with People workstream to support as ethos and culture of communities and customers first (CCP/People) • Involve customers and communities in the design of products and services (CCP) • Learn from customer experience and feedback (CCP) • Develop sound business case to underpin 	8	

Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
27	Uncontrolled change to the scope of the LGR programme	<ul style="list-style-type: none"> Failure to deliver the new council to agreed time, cost and quality. Failure to deliver agreed financial and non-financial benefits. Missed transformation opportunities for the new authority 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 	12	<ul style="list-style-type: none"> Programme Implementation Manual outlining decision-making tolerances and purpose of change control Current Programme governance arrangements: PMO, Programme Steering Group and Programme Board to identify Change control process in place Strong communication within the programme within the programme promoting adherence to guidance around change control, benefits realisation and risk Quality assurance of workstream reporting Robust scrutiny of programme through LGR Implement Board and LGR Scrutiny 	9	
139	Inter-dependencies between workstreams not managed effectively	<ul style="list-style-type: none"> Inability to deliver cross-cutting products successfully and therefore benefits not realised 	12	<ul style="list-style-type: none"> Programme tranches developed A process/approach for management of dependencies to ensure impacts of change (time/cost/quality) are easily understood at both workstream and programme level. PMO providing assurance against delivery of programme capabilities Dependency management tool in central list (sharepoint) T1 products dependencies to be assessed are T1 sign off (Date: ongoing) Management of dependencies and interdependencies are part of monthly assurance meetings between PMO and workstream (Date: ongoing) 	6	
23	The risk that non-delivery or late delivery of key LGR products that other workstreams are dependant on	<ul style="list-style-type: none"> Missed opportunities Siloed working Failure to deliver key products Delays in workstreams and ultimately the programme Re-engineering of solutions/rework required 	20	<ul style="list-style-type: none"> Reliable critical path is available, with regular opportunities to monitor and course-correct when necessary Regular opportunities for project managers to review with workstream an sub-workstream leads Review of scorecards Robust programme and project planning Modelling interdependencies incorporated into work plans and must haves Adequate resourcing of programme staff with appropriate capabilities and capacity to deliver workplan Utilise lessons learned from other programmes Dedicated LGR programme managers in post 	12	

Programme Level Risks - PMO

Date: October 2022

Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
21	The risk that the LGR programme negatively impacts service provision and improvement activities of Children's services and Adult Social care	<ul style="list-style-type: none"> • Performance of service for vulnerable adults negatively impacted • Poor external perception of quality of services • Potential Government intervention 	12	<ul style="list-style-type: none"> • Strong communication within the programme • Adherence to project guidelines around Change Control, Benefits realisation and risk. • Horizon scanning • . Cross-cutting involvement of senior managers across workstreams in particular Service Alignment and Improvement • Quarterly reporting to Programme Board • PMO engagement and participation with Integrated Care System Governance • Modelling of interdependencies between programmes, reflected in respective plans • Active consideration within the emerging Target Operating Model • Consideration of a review of Governance of CSC and ASC • Ongoing comms with the service • Experience gained from other councils going through LGR taken into consideration in approach 	6	
111	The risk of overspend on the £16.5 m LGR implementation budget	<ul style="list-style-type: none"> • Higher than anticipated LGR programme costs and redundancy payments • Reduction to reserves and longer payback on the Business Case 	16	<ul style="list-style-type: none"> • The approved commitments are being challenged if the funding has not be fully committed to ensure the bid is still required, if it is not or can be reduced this will make more funds available for the programme. • Work is underway to revisit the redundancy figures 	12	