

20 November 2023

Risk Management Update – Strategic Risk Register (SRR2)

Ward(s): All

Portfolios: All

Purpose: For comment/review

1. Aim

- 1.1 To provide Audit Committee with assurance in relation to Strategic Risk Register (SRR) Risk 2, following their consideration of the SRR in April 2023.

2. Summary

- 2.1 Audit Committee considers the SRR at least twice per year and last considered SRR Risk 2 in September 2022. At their meeting in April 2023, Audit Committee requested that four risks be added to the work programme, including a further review of Risk 2.
- Strategic Risk 2: The Proud Programme does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community.
- 2.2 This report provides the latest update for this risk for Audit Committee's consideration.

3. Recommendations

- 3.1 That Audit Committee consider SRR2 at Appendix 1.

4. Report detail - know

- 4.1 Appendix 1 contains the latest risk for SRR 2, summarised overleaf.

Risk	Risk Description	Lead Directorate	Updated "current" score	Previous "current" score	Trend
	Proud Continuous Improvement does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community.	R&T	12	12	↔

4.2 Proud continuous improvement is identified as a Strategic Risk (SRR2) and also as a control in relation to the financial resilience risk (SRR7).

4.3 The VFM Audit in 2021/22 outlined key recommendations in relation to ensuring that identified benefits are delivered – these measures include having robust delivery plans, resourcing these plans appropriately and consideration for future measures for transformation. To respond to this, the Council has ensured the below measures are in place:

- Each workstream steering group reviews programme plans on a monthly basis and highlights key risks and issues to Proud Board,
- Both investments required and benefits are discussed at Proud Board and Transformation and Finance Group with an appropriate RAG (red/amber/green) rating applied,
- Resourcing – capability and capacity risks are additionally held on the Proud Board risk register alongside appropriate mitigations to ensure resources are prioritised according to benefit delivery.

4.4 The table highlights that there have been no changes to the overall risk score between the last review as at September 2022 and the current review as at November 2023, however this is in line with expectations as the risk is dependent on project delivery which is ongoing and the ongoing continuous improvements being made within the programme management office.

5. Financial Information

5.1 There are no direct financial implications arising from this report, however effective risk management and reporting of risks supports and contributes to the delivery of good financial management.

6. Reducing Inequalities

6.1 Effective governance arrangements ensure a focus on delivering Council Plan objectives, a key driver of which is reducing inequalities.

7. Decide

- 7.1 Audit Committee are asked to consider the risk and comment as appropriate.

8. Respond

- 8.1 Audit Committee is required to ensure that it receives reports on risk management on a regular basis and takes appropriate action to ensure that strategic business risks are being actively managed. This report enables Audit Committee to exercise its responsibilities in respect of risk management by reviewing SRR2; calling in key business risks for review; and seeking assurance that risk management is thoroughly embedded within the organisation.

9. Review

- 9.1 The Risk Management Strategy sets out the formal review and reporting points for risks throughout the year and these will continue to be followed, with feedback on the actions set out within this report incorporated into those updates.


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No.	Risk <i>Cause and Effect</i>	Corporate Goal Lead	Existing Controls and Assurances	Impact	Likelihood	Risk score	Status & Trend	Further Actions	Deadline
2	Proud Continuous Improvement does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community. <ul style="list-style-type: none">Lack of commitment to change/change fatigueTechnical DaTS capability and service design (business analysis) capacity not sufficient to enable change to be	ALL Executive Director Resources	Existing Controls: <ul style="list-style-type: none">As the Proud Programme transitioned into continuous improvement activity from April 2022, Proud governance arrangements were amended for Walsall Proud Board (WPB), Business Design (BDA) and Technical Design Authorities (TDA). The Terms of Reference for these forums have been refreshed and aligned to the revised approach. Directors and SMG have been updated with the changes; Transformation	Current Score				<div>1. Via the Proud Implementation Plan a resource profile was produced to identify skills and capacity required to deliver the programme activity. This was approved at Proud Board. Recruitment to transformational roles</div>	Ongoing March 2023 and beyond
				4	3	12	Red 		
				Target Score					

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	<p>implemented which delivers demonstrable benefits against the Proud Promises;</p> <ul style="list-style-type: none"> • Directorates and Services work in disparate way; • The organisation does not have the skills or expertise required to deliver and sustain change and is reliant on expensive external resources; • Proud Continuous Improvement work is not focused on the right changes or stretching enough to achieve the targets and outcomes identified • The changes made are not fully adopted by the organisation, new ways of thinking and working are not fully embedded. • The organisation cannot sustain the changes made. <p><i>The effect would be that costs of service provision remains above optimum level and opportunity cost of this cannot be removed. The Council would not become fit for purpose to face future challenges. Behaviours and Culture would not change, and customer service levels would be variable alongside the Council's ability to attract and retain top talent in the sector.</i></p>		<p>and Finance Group established to consider transformation expenditure and benefit delivery.</p> <ul style="list-style-type: none"> • Proud Work Streams reaffirmed with CMT Sponsor and Work Stream Lead governed by Work Stream Steering Group (one for each Work Stream) and Programme Management from Proud Programme Management Office (PMO); • Oversight by CMT of Proud activity on a weekly basis through Proud Slot. • Programme definition baselined and roles and responsibilities approved; • Standard programme and project management processes now in place to track progress against plan, manage resources and risks; • PMO now established standard documentation for reporting to Board including highlight reports assurance against plan and risk register; • Proud Promises: Customer, Employee and Efficiencies being tracked by Highlight reporting on each Work Stream; • Work Force Strategy and organisational development strategy in development, taking account of findings from Employee Survey. Additional Employee Surveys undertaken (2 on Covid Working from Home) and a full employee survey completed September 2021; • Workstream delivery aligned to services through the development of service transformation plans which is the delivery vehicle through which a balanced 2023/24 position and 4 year MTFO from 2024/25 will be achieved; • Regular reporting on benefits delivery via Board, and Cabinet / CMT; • Proud Communications releases regular updates on achievements and progress; • Refreshed risks and issues register completed and presented monthly at Proud Board. <p>Assurances:</p> <ul style="list-style-type: none"> • Monthly monitoring of financial benefit and highlight report on Proud activity and workstream progress to Board; • Re-established "transformation/finance" group to track and monitor transformation investments and benefit delivery • Regular reporting to Cabinet on benefit delivery; <p><i>Separate corporate financial reporting includes delivery of benefit savings and requirement to</i></p>	4	2	8	Amber	<p>continues to be challenging, in some areas temporary contracted resources are being used. Change Centre of Excellence roles now defined and evaluated, moving into recruitment. These roles will be revisited as part of the wider Enabling & Support Services programme to ensure current structure is fit for purpose.</p> <p>2. The Proud PMO is maturing and has implemented standards and processes to aid consistency of projects. This includes training and support for key roles such as SRO and Workstream lead. Verto an IT system is being implemented to show project and workstream progress.</p> <p>3. Resource requirements will continue to be monitored as transformation projects continue to be developed – through business case development. The demand process is also being reviewed to ensure that the PMO are meeting the wider Council's transformation priorities.</p> <p>4. LGA Peer Review action requiring the embedding of the Proud deliverables in a continuous improvement programme and</p>	<p>First Phase of Verto rollout April 2023</p> <p>Ongoing</p> <p>Ongoing</p>
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			<i>address any financial saving shortfalls to ensure council outturns within budget despite any in year financial and demand pressures; Evidenced by Outturn 2022/23 and previous years all within budget with unqualified audit.</i>					<p>ensuring they are achieved. This will be achieved from the evolving outcomes based budgeting the council is undergoing and rigorous monitoring and performance through CMT and Cabinet to rectify non-delivery issues</p> <p>5. The transformation and change team are working closely with the Council Hub and finance on service transformation planning and budget setting process going forwards, ensuring focus remains on Proud promises, benefit delivery and sustainable change.</p> <p>6. Customer and Employee Surveys to be completed to measure Proud Promises.</p>	<p>Ongoing</p> <p>Q3 2023</p>

Likelihood and Impact guide.

Likelihood			Impact		
Score 1-5	% chance	Time Frequency	Score 1-5	Disruption to Services and/or Residents affected or aware	Budget
1 Rare	< 10%	Rare occurrence	1 Negligible	Minor disruption to services <i>Up to 5%</i>	>1%
2 Unlikely	10 - 30%	Once in 5 years	2 Minor	1-2 weeks <i>Up to 10%</i>	>5%
3 Possible	30-60%	Once 2 years	3 Material	Up to one month <i>Up to 25%</i>	5-10%
4 Probable	60-90%	Once a year	4 Severe	1 – 3 month <i>Up to 50%</i>	10-20%
5 Almost Certain	> 90%	Within 6 months	5 Catastrophic	Over 3 month <i>Over 50%</i>	20%