

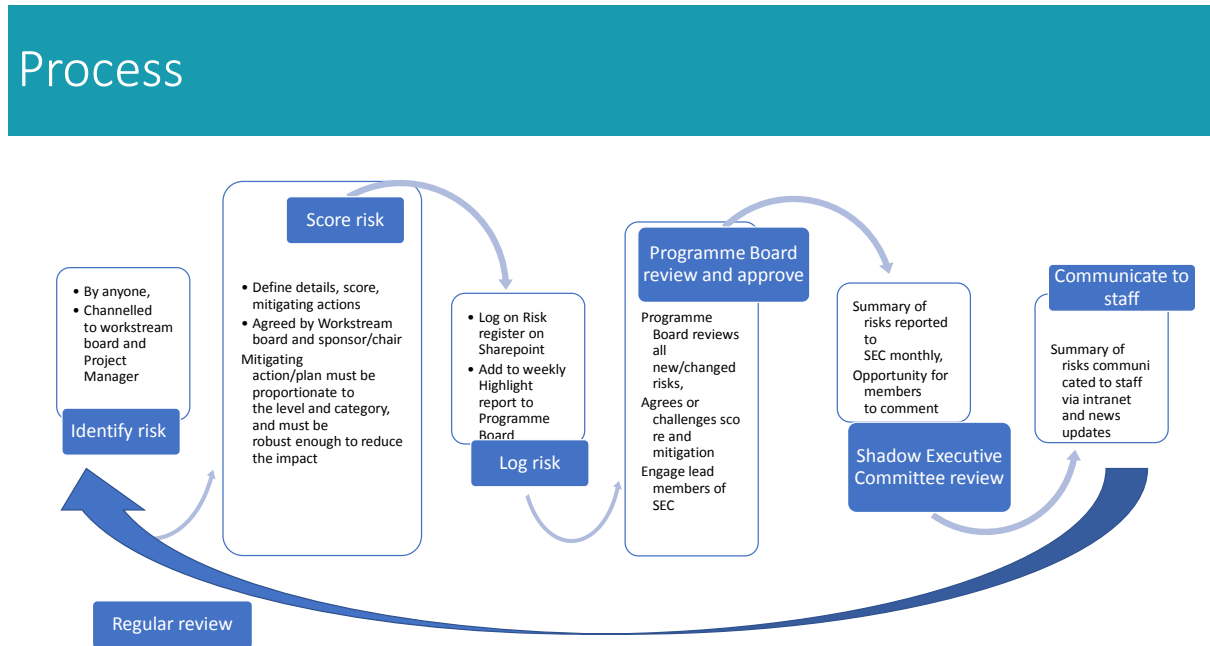
Shaping Dorset Council

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|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Meeting | 17 th September 2018 |
| Officer | Keith Cheesman, Programme Director |
| Subject of Report | Risk Register |
| Purpose of Report | Decision |
| Executive Summary | This report explains the current status of the programme risk management, together with the high impact risks. |
| Recommendation | <ul style="list-style-type: none">• To agree the Shaping Dorset Programme risk management process• To approve the high impact (4 and 5) risks, description, rating and mitigating actions |
| Reason for Recommendation | To report the current risks as agreed at the Risk Workshop on 22 nd August 2018 |
| Appendices | None |
| Background Papers | None |
| Officer Contact | Name: Sarah Longdon Tel: 07810 338310 Email: sarah.longdon@dorsetcc.gov.uk |

1. Risk management review process

The programme team has reviewed the risk management process and produced a guide to help members of the team, workstream representatives and board members raise, approve and monitor risks.

The process was approved by the Programme Board on 22nd August 2018, when a workshop session was held to review the management of risks. The process is summarised in the diagram below:



The criteria for rating risks and applying a score has been agreed previously by the Shadow Executive committee and the Programme Board, and is set out in the diagram below. Risks with and impact score of 4 or 5 are reported to the Shadow Executive committee.

Process

| IMPACT - THREATS | | | | | | IMPACTS - OPPORTUNITIES | | | |
|------------------|---------------------|------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------|---------------------|-------------------------|
| Score | Financial | Legal / Compliance | Strategic | Safety, Wellbeing & Safeguarding | Reputation | Service Delivery | Score | Financial | Service Improvement |
| 5 | Over £1 million | Non-compliance with legislation or regulatory breach | Complete failure of a strategic priority | Fatality or life-changing injury / illness; Significant safeguarding breach | Complete failure in confidence (local or national) | Complete failure to deliver critical services (safeguarding, urgent statutory responsibilities etc) | 5 | Over £1 million | Significant opportunity |
| 4 | £500k to £1 million | Significant regulatory impact | Major impact on a strategic priority | Major injury / illness; moderate safeguarding breach | Long term media attention (local or national) | Major impact on delivering critical services (safeguarding, urgent statutory responsibilities etc) | 4 | £500k to £1 million | Moderate opportunity |
| 3 | £300k to £500k | Moderate regulatory impact | Moderate impact on a strategic priority | Moderate injury / illness | Medium term negative impact on public memory | Serious disruption to less critical services | 3 | £300k to £500k | Minor opportunity |
| 2 | £100k to £300k | Minimal regulatory impact | Minor impact on a strategic priority | Injury or illness requiring minimal intervention / treatment | Short term negative impact on public memory | Minor disruption to services | 2 | £100k to £300k | Negligible opportunity |
| 1 | £100k or less | No legal or regulatory impacts | Negligible impact on a strategic priority | No health and safety impact | Minor complaints or rumours | Negligible disruption to service delivery | 1 | £100k or less | |

| LIKELIHOOD | |
|------------|-----------------------------------|
| 5 | Almost Certain Over 80% chance |
| 4 | Likely 61 – 80% chance |
| 3 | Possible 41 – 60% chance |
| 2 | Unlikely 21 – 40% chance |
| 1 | Rare 0 – 20% chance |

| | | LIKELIHOOD | | | | |
|--------|---|------------|--------------|--------------|------------|--------------------|
| | | (1) Rare | (2) Unlikely | (3) Possible | (4) Likely | (5) Almost Certain |
| IMPACT | 5 | 5 | 10 | 15 | 20 | 25 |
| | 4 | 4 | 8 | 12 | 16 | 20 |
| | 3 | 3 | 6 | 9 | 12 | 15 |
| | 2 | 2 | 4 | 6 | 8 | 10 |
| | 1 | 1 | 2 | 3 | 4 | 5 |

2. Current state

As the implementation plans are nearing completion, it was important to review and confirm the process to manage risks, and to ensure that all Programme Board members are aware of this process. The full set of risks to implementation will be confirmed at the end of September when the implementation plans are finalised and the Programme Board prepares for the Gateway Review.

Some initial risks that were identified and logged in the early stages of establishing the Shaping Dorset Programme have now closed, due to factors such as plans having been developed and actions in place, governance and decision-making processes established, resources assigned. As the programme works through the implementation plans and we draw nearer to vesting day, it will be necessary to focus on key risks specific to the core criteria of a safe and legal operation of the new Dorset council in April 2019

3. Mitigation

The programme governance structure is now well established and in a position to monitor the agreed actions to mitigate risks. The high impact risks will be reviewed regularly at Programme Board, and actions confirmed or escalated to ensure the risks reduce to an appropriate level. These high impact risks will continue to be reported to the Shadow Executive Committee based on the agreed criteria.

4. Risk Register

The table below sets out the current risks with a rating of high, ie impact score is 4 or 5. There are currently 11 such risks. This number is likely to rise when the implementation plans are completed later in September.

Work has started on analysing the current strategic risks across the six councils to provide an early indication of the risk landscape for Dorset Council, mapped against the revised scoring matrix. Further analysis will be undertaken over the coming months, managed

through a risk work-package which sits in the Corporate Theme Board. This will be reported to the Programme Board and Shadow Executive Committee.

In terms of existing strategic risks, sovereign Councils will retain responsibility for managing these until vesting day, but the Shadow Executive will need to remain sighted on the content, which could inform decision making.

| ID | Title | Accountable Risk Owner | Risk Lead | Workstream | Gross Impact (1-5) | Gross Likelihood (1 to 5) | Gross Risk Score | Gross Risk Level | Current Controls | Current Impact (1-5) | Current Likelihood (1-5) | Current Risk Score | Current Risk Rating | What Further Actions are Necessary? |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------|---------------------------|------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|--------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 106 | Financial impact of 'stranded' costs following TUPE | Interim S151 - Jason Vaughan | Interim S151 - Jason Vaughan | Finance | 5 | 3 | 15 | High | August 2018:HR Workstream is looking to mitigate this which would reduce this by £2.444m. Vacancy control process in place. HR mitigation process | 5 | 3 | 15 | High | |
| 7 | Failure to understand full statutory responsibilities of merging authorities creates an exposure to legal challenge; | MOs | Jonathan Mair | Legal | 5 | 4 | 20 | High | Programme contains legal and governance workstream tasked with examining Corporate legal requirements. Service continuity workshops planned to identify service specific legalities The question was raised as to how the legal teams should interface with the Service Continuity teams as there was a perceived lack of clarity as to what the teams were doing and whether or not anyone was checking that their output was legally compliant. The Legal teams have not seen the various implementation plans to confirm that the teams had considered all legal aspects and it was suggested that a mitigating action would be to have a legal officer embedded in these teams. | 5 | 3 | 15 | High | Service workshops will reduce risk exposure; Legal workstream to nominate representation on each of the theme boards and workstreams. 24-08-2018 No change to risk levels until effect of legal representation at theme boards evident. |
| 79 | Judicial Review causing delay to the programme or preventing it from continuing | Monitoring Officers | Jonathan Mair | Legal | 5 | 3 | 15 | High | Provide MHCLG with evidence of steps taken during Phase 1 of the programme 24-08-2018 - despite the rejection by the High Court of the Christchurch JR the risk remains the same until that of Mr Somerville Ford has been concluded. | 5 | 3 | 15 | High | 24-08-2018 - despite the rejection by the High Court of the Christchurch JR the risk remains the same until that of Mr Somerville Ford has been concluded. No further action required. |
| 137 | No agreed plan in place to disaggregate Social Services data and agreed case handover processes with BCP | People theme board | | Customer & Service Continuity | 4 | 4 | 16 | High | Agree action plan with BCP as a matter of urgency. Co-ordinate activities with theme boards and ICT workstream | 4 | 3 | 12 | High | Confirmed action plan in place and monitored regularly by programme boards |
| 18 | Financial Sustainability of Dorset Council | Interim S151 - Jason Vaughan | Interim S151 - Jason Vaughan | Finance | 4 | 3 | 12 | Medium | Convergence plan to be added to the Shaping Dorset Council Programme. Transformation Plan for Phase 3 to be developed and in place for the new council to implement. CIPFA have been engaged to carry an independent assurance piece of work concerning the opening financial position of the new Dorset Council and the Medium Term Financial Plan. This will be completed by 5 October 2018. | 4 | 3 | 12 | Medium | Convergence Plan needs to be developed. Transformation Plan needs to be fully costed for savings and implementation costs. |
| 117 | Financial impacts of disaggregation impacts upon Dorset Councils Budget | Interim S151 - Jason Vaughan | Interim S151 - Jason Vaughan | Finance | 4 | 4 | 16 | High | Meetings are planned for September in relation to the debt. There is a dispute process in place. The initial budget work reporting to the task & finish group on the 14 September will identify the non-pay stranded costs. | 4 | 3 | 12 | Medium | Dependent on outcome of current control actions. |
| 40 | Systems and processes not in place and operational in time to pay people on time and accurately in April 2019 | Keith Cheesman | Nicola Houwayek / Chris Matthews | HR & Workforce | 4 | 4 | 16 | High | Work underway to determine a pragmatic implementation approach with HMRC - external support being provided through PS Tax. Options analysis being completed to determine best route to adopt should our preferred option not be accepted by HMRC. | 4 | 3 | 12 | Medium | Working Group established and detailed planning of necessary activity to commence. Interdependencies with other work packages being identified and milestones/decision points being mapped i.e. agreement of terms and conditions. Decision required about system to be used to pay EDDC employees from 1 April 2019 - will be influenced by HMRC decision. |
| 139 | Insufficient capacity/resources to deliver the HR Workstream within timescales (project slippage) | Nicola Houwayek | Nicola Houwayek | HR & Workforce | 4 | 4 | 16 | High | External interim resources. Effective resource planning leading to alignment of int/ext resource as appropriate | 4 | 3 | 12 | Medium | Commissioning of external resources for Ts&Cs + Pay & Grading. Scoping agreed by Prog Board and regular review of resourcing. |
| 86 | Short-term fixes identified are not resolved quickly, leading to inconsistent application of policy/procedure and exposure to enforcement action/challenge | Board | IG Board | Information Governance | 4 | 3 | 12 | Medium | Ensure plans in place for interim and permanent solutions; determine those policies/procedures that need to be harmonised for Day One on a risk assessed basis | 4 | 3 | 12 | Medium | |
| 87 | Lack of ownership & accountability | Board | IG Board | Information Governance | 4 | 3 | 12 | Medium | HR to clarify the interim operational management arrangements i.e. Interim Monitoring Officer is responsible for DP. Ensure that statutory roles are allocated (SIRO; Data Protection Officer; Caldicott Guardians) | 4 | 3 | 12 | Medium | |
| 100 | Unable to access information held by outgoing authorities (for statutory returns and evidence bases) | Board | | Information Governance | 4 | 4 | 16 | High | Clear policy on retention/destruction; clear Information Asset Registers | 4 | 3 | 12 | Medium | |