

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest includes a crown with four maple leaves, a shield divided into four quadrants (top-left: a saltire, top-right: a stag's head, bottom-left: a sailing ship, bottom-right: an eagle), and a banner at the bottom with the motto "ANNE FOR A".

Agenda Item 5

Council of the Future Risk Register Update

Falkirk Council

Title: Council of the Future Risk Register Update

Meeting: Audit Committee

Date: 23 August 2021

Submitted By: Director of Corporate & Housing Services

1. Purpose of Report

- 1.1 As part of the regular Council of the Future (COTF) reporting cycle, this report provides an update on the COTF change programme risk register.

2. Recommendation

- 2.1 **The Audit Committee is asked to note the latest iteration of the Council of the Future risk register.**

3. Background

- 3.1 As reported to [Falkirk Council](#) in May 21, the COTF change programme has been re-calibrated to ensure the Council can deliver on clearer project plans, aligned to the Council's priorities of Communities, Enterprise and Innovation.
- 3.2 This means that project management practices have been tightened up, with refreshed project workbooks in place for every COTF project, a gateway system introduced to better track the phasing of projects and a smart dashboard now in place to manage the performance of the change programme.
- 3.3 With this in place, the overall progress of the change programme will be tracked and reported in a number of ways:
- Focus remains on the Council's priority Projects.
 - The COTF change programme and Business Plan reports to Executive/ Council.
 - Progress will be monitored through the Council of the Future Board, comprising the Chief Executive, Directors and cross-party Elected Members alongside the Head of People, Transformation and Technology and Change Manager.
 - Reports will be brought before Elected Members during the year on each of the change programme's priority projects seeking early Elected Member agreement to progress service transformation and, where applicable, delivery of the consequential savings.
 - The priority projects are also communicated at the monthly Council of the Future Elected Member seminars.

- Scrutiny Committee receives reports on the work being done on the Corporate Plan. The COTF change programme is reported here in line with what is being delivered against the Council's three priorities.
- The COTF dashboard will soon be available on 'Falkirk Performs', Council webpages designed to support public performance reporting (late Summer 21).

3.4 The COTF change programme risk register, **appendix 1**, has been re-calibrated in light of the refresh of these arrangements for the Audit Committee to now review.

4. Considerations

COTF Risk Management Channels

4.1 The COTF change programme risk register is the strategic risk register supporting the COTF governance framework, **appendix 2**. It sits below the Council's Corporate Risk Register (CRR) as part of a range of risk management arrangements across the Council, including the COTF project risk registers as shown:

COTF Risk Management Channels	Points to Note
CORPORATE RISK REGISTER (CRR)	Forms part of the Council's framework of assurance re risk management, governance, and control in respect of the Council's Business Plan.
COTF CHANGE PROGRAMME RISK REGISTER	Sits below the Council's CRR. Both risk registers are aligned to the same risk categories. Based on current relevance, the COTF change programme currently shows a sub-set of these. Risk ratings may differ from the CRR risk ratings due to the specific nature of the change programme which forms only <i>part</i> of the Council's Business Plan.
COTF PROJECT RISK REGISTERS	Each project has its own 'operational' risk register, informing the COTF change programme risk register. Red rated risks are reviewed at Workstream Boards. Work is underway to align project risk categories to those in the CRR, as per the change programme risk register and will be complete by end of July 21.

4.2 The COTF change programme risk register is maintained by the Programme Management Office (PMO) and is formally reported and reviewed at each Make it Happen and COTF Board (meets six-weekly) – the strategic Boards that provide oversight, challenge, and support to the change programme - and to the Audit Committee, on a six-monthly basis.

- 4.3 The COTF change programme risk register is a 'living document' and can be updated in-year to reflect any significant new risks or changes in risk exposure that may arise due to internal or external events and to track progress against mitigating actions.
- 4.4 The COTF change programme risk register is not intended to record all actions being taken across the COTF governance framework to address risks. It records the risk and key sources of assurance in place to manage risks and ensure that the risk is being assessed and addressed.

Changes to COTF Change Programme Risk Register

- 4.5 A summary of the main changes to the risk register are as follows:
- The overarching COTF governance arrangements provide overarching controls to risk register.
 - There has been a move from the 15 risk categories previously reported to the Audit Committee to 7.
 - This has been achieved by recognising that the CRR comprehensively covers the Council's business plan. Risks that link the component parts of the business plan (Medium Term Financial Plan, COTF, Workforce Plan and Recovery) are well represented in the CRR. This means risks around Resilience, Short-Term / Low Value Issues, Legal and Interdependencies are now managed as part of the CRR, and not as discrete risks in the COTF change programme risk register.
 - There has also been a grouping of key, connected risks:
 - COTF Programme: Governance / Benefits has absorbed previous risk categories of COTF Leadership, Outcomes and benefits and Programme management and governance.
 - Information / Technology risks are now combined.
 - There has been a mapping of risk categories to match the CRR.
 - Each risk has more focused mitigation. As per 4.4, it doesn't record all the actions that will be in play across the COTF governance framework, as these will be detailed on other programme documentation. It does call out the commitment of the strategic officer Board, the Make it Happen Board, in providing assurance around risk management.
 - There has been a shift in certain risk ratings with controls / mitigation:
 - Partners - Now an amber rating (previously green)
 - People - Now an amber rating (previously green)
 Since last report to Audit Committee, there is now ongoing work to fully implement the re-structure of Council and Falkirk Community Trust services and the risk rating of these categories will be monitored as this progresses.
 - One red rated risk remains on the risk register, following mitigation –

Political and Policy Decisions Political decisions not to support the change programme.	CRR Category - Leadership, Decision Making, & Governance
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COTF Board and the Executive

4.6 The COTF Future Board monitors the progress of the Council of the Future change programme alongside the programme's risk register in this respect. The COTF Board has met five times this year and has kept up to date with the progress monitoring by email correspondence during the recess period, in lieu of a virtual meeting.

4.7 For note, a COTF update will be reported to the Executive on 24 August 21.

5. Consultation

5.1 The Council's Corporate Risk Co-ordinator has been consulted in the review and development of the risk register to ensure alignment with the CRR.

6. Implications

Financial

6.1 There are no specific financial implications arising as a result of this report.

Resources

6.2 There are no specific resource implications arising as a result of this report.

Legal

6.3 There are no specific legal implications arising as a result of this report.

Risk

6.4 The risks associated with the Council of the Future programme of change are set out in the attached risk register.

Equalities

6.5 There are no specific equality implications arising as a result of this report.

Sustainability/Environmental Impact

6.6 There are no specific environmental or sustainability implications arising as a result of this report.

7. Conclusions

7.1 The Make it Happen and Council of the Future Board continues to monitor the progress of the Council of the Future change programme alongside the programme's risk register.

- 7.2 Project Managers and Sponsors, as part of the project management methodology, will continue to consider operational risks for their specific projects.

Director of Corporate & Housing Services

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Appendices

Appendix 1 - Council of the Future Risk Register

Appendix 2 - Council of the Future Governance Framework

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

None

COTF – Programme Risk Register

the Future (COTF) Change Programme Risk Register and Governance Framework

The COTF Change Programme Risk Register, below, charts the change programme's identified risk statements. A mapping to the strategic risk headings in the Corporate Risk Register is shown for cohesion.

The COTF Change Programme has been subject to an internal review, 'Powering our Priorities' (POP), resulting in a re-calibration of projects and deliverables, with strengthened governance arrangements.

The COTF Governance Framework provides rigour to ensure scrutiny and support mechanisms are in place to drive the delivery of projects.

There are two strategic boards that provide oversight to the COTF priority projects, the Make it Happen Board and COTF Board.

All projects report operationally to one of three Workstream Boards, aligned to the three Council priorities, Communities, Enterprise and Innovation.

The COTF Change Programme Risk Register harnesses the rigour of the COTF Governance Framework to make sure overarching controls and mitigation are in place for prevailing risks.

The COTF Change Programme Risk Register

No.	COTF Change Programme Risk Statement	Mapping to CRR Heading	Inherent Risk (with <u>no</u> controls / mitigation)			Controls / Mitigation	Risk Rating (with controls / mitigation)		
			L	I	Score		L	I	Score
1	Political and Policy Decisions Political decisions not to support the change programme.	Leadership, Decision Making, & Governance	5	5	High	Membership of the COTF Board includes cross political party representation and have a responsibility to share outputs from the Board with wider group members. Group Leaders are automatically members of the Board. The Board has strategic oversight of priority projects and has decision-making powers on significant Change Fund allocations. Such decisions would normally underpin the direction of travel of the priority projects and can go some way to influence wider political leadership, decision making and governance. From a wider finance perspective, savings options are labelled against each COTF workstream, briefings run for each Political Group as part of the budget process and committee process, and there are regular discussions on budgets at Member Budget Working Group. Elected Members are also locked into a range of seminars on the Council's priority projects to raise awareness of the objectives of these key change initiatives and, alongside an 'in-year' reporting cycle to relevant committees, will provide the information to enable informed political decisions.	4	5	High
2	COTF Programme: Governance / Benefits Lack of COTF programme ownership, engagement, or capacity at senior officer level, or failure to provide strategic	Transformational Change	4	5	High	The CFO has a lead role at the Make it Happen Board in providing financial information to enable scrutiny on the delivery of transformation and financial benefits at the strategic programme level. The Chair of the Make it Happen Board has the role of ensuring Project Sponsors / Directors / SROs are accountable for delivery of the change programme to time, budget and quality standards.	3	3	Medium

No.	COTF Change Programme Risk Statement	Mapping to CRR Heading	Inherent Risk (with <u>no</u> controls / mitigation)			Controls / Mitigation	Risk Rating (with controls / mitigation)		
			L	I	Score		L	I	Score
	direction and ensure accountability / progress. Includes financial savings (or income generation targets) are not realised or are insufficient to meet overall budget gap.					From Jan – July 2021, 'Powering our Priorities' (POP) enabled a re-calibration of projects and increased rigour in terms on project management documentation. All projects are subject to a sign off process from the senior officer leadership teams and COTF specialists across the Council.			
3	Information / Technology Insufficient to support options generation, options appraisal, or effective decision making. The capacity of the Council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands.	Information Assets	3	4	High	POP requires, as a minimum, a high level options appraisal for each COTF project that required sign off from senior leadership teams. Alongside a refresh of the Capital framework, technology investment and decisions are subject to scrutiny & evaluation, primarily via the Innovation Workstream Board, with strategic oversight provided by the Make it Happen and COTF Board. The Chair of the Make it Happen Board will ensure specific action(s) are agreed with clear owner(s) assigned at the Board to reinforce the mitigation of any risks.	2	4	Medium
4	Partners / Stakeholders Insufficient support, funding, or resource capacity to deliver shared outcomes.	CPP and IJB	4	4	High	The Chair of the Make it Happen Board has the role of ensuring Board Members effectively manage any cross-cutting dependencies to deliver on the shared outcomes of the change programme. The Chair will ensure specific action(s) are agreed with clear owner(s) assigned at the Board to reinforce the mitigation of any risks.	3	3	Medium
5	Economic Affecting the ability of the Council to meet its financial commitments. These include internal budgetary pressures, external macro level economic changes or consequences, proposed investment decisions.	Insufficient Funding and COVID Impacts	4	5	High	The Chair of the Make it Happen Board has the role of ensuring Board Members effectively manage any Council-wide economic risk pressures to support the delivery of the change programme. The Chair will ensure specific action(s) are agreed with clear owner(s) assigned at the Board to reinforce the mitigation of any risks.	3	3	Medium
6	Customer / Communities Communication and Engagement The failure to meet current and changing needs / expectations of customers and communities. Strategy is not effective, either internally (e.g. lack of a shared vision, pace, or ambition), or externally (eg understanding of customer needs).	CPP and Participation	4	5	High	The COFT Governance Framework will monitor this with the Communities Workstream Board being primary conduit for identifying risks. As part of POP, stakeholder communication and engagement plans are in place where relevant that will be tracked as part of a Communications Roadmap for project to maximise visibility on the requirement and outputs from engagement sessions and any subsequent impact on the change programme. In addition, Communities Shaping Falkirk's Future project provides engagement planning and delivery support to all COTF projects.	3	3	Medium
7	People	HR / Workforce Planning	4	5	High	Leadership Fora and project management training in place. Governance framework has a Programme Senior Responsible Owner (SRO) in place supported by SROs for each Workstream Board.	3	3	Medium

No.	COTF Change Programme Risk Statement	Mapping to CRR Heading	Inherent Risk (with <u>no</u> controls / mitigation)			Controls / Mitigation	Risk Rating (with controls / mitigation)		
			L	I	Score		L	I	Score
	Staff do not have sufficient skills, experience, support, or authority to manage the required transformational change. Culture of council preventing the implementation of change.					Alongside Change Manager and Programme Management Office, these ensure good practice and drive pace of change. Specialist COTF Business Partner in place to enhance skills and capability to deliver change programme.			

Potential Worst Case Consequences:

The Change Programme Risk Register has potential worst case consequences of:

- Failure to deliver the planned programme of Council of the Future work and to achieve the required transformation and savings in the required timescales, leading to:
 - Absence of required skills or expertise to deliver services.
 - Service failure (including delivery of statutory services).
 - External intervention in the running of the Council.
- Risk 5: Failure to positively impact town centres, employability and SIMD (Scottish Index of Multiple Deprivation) locality growth.
- Risk 6: Failure to meet current and changing needs / expectations of customers will impact on population growth and the economic development of localities.

