

Managing Business Risks - Risk Assessment

(template source: Risk and Audit)

Appendix 3

Change To Keep Succeeding

Objective: to deliver a new organisational framework

completed by: Jeff Hawkins, Transformation Programme Manager

completed 7 October 2010

Risk No	Challenges	Assessment of Inherent Risk (with no controls in place)			Risk Control Measure	Assessment of Mitigated Risk (with controls in place)		
		Impact	Likelihood	Risk Rating		Impact	Likelihood	Risk Rating
RA 1	the change to the framework is happening at the same time as other demands on KCC: external policy changes and financial changes; planning and delivering the new medium term plan. That places great demands on KCC management resources.	5	4	20	This change in framework is being led by the Group Managing Director and supported by a programme manager reporting directly to her. CMT is the Programme Board, and the programme has weekly visibility at CMT. (It is the role of GMD and CMT to lead the organisation through major change and manage the inherent risks, and it essential that CMT and their direct reports are committed to the change). A project plan and timeline are in place, a project team established, risks are identified and mitigation steps already taken. Transition planning is taking place and a detailed transition plan is being developed. CMT will discuss and examine the different proposals and create models for new ways of working. Type 2: the consequence of NOT implementing the new framework at this time: 1. It is imperative that the process of delivering a new operational framework dovetails and aligns absolutely with the preparation of the Council's medium term plan and delivery to that plan over the next four year. 2. The success of each of these relies upon the success of the others. 3. If we do not make these savings we may have to resort to managed-decline and be unable to deliver the quality of services that Kent is renowned for.	3	3	9

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RA 2	Cabinet or Council delay a decision on the new operational framework proposal, or reject the proposal outright.	5	4	20	Cabinet and Members, including opposition Members are being briefed and kept abreast of development and progress. Scrutiny will also play a role in assessing the draft proposals at the outset and then during the process to ensure the proposals made are relevant and appropriate to our future success Informal consultation with managers and staff on the need for change has already taken place to gauge their views. However if a decision is delayed there is no control measure or contingency plan that would allow the new operational framework in place by 1 April 2011. Type 2: the consequence of deferring a decision or rejecting the proposal: 1. We would proceed with the savings as currently envisaged yet with uncertainty over management framework in the medium term. 2. We would also not build in at the earliest opportunity capacity to deliver the new policy framework of our new medium term plan or new national policy developments. 3. Making the savings within our current organisational framework would mean we lose the opportunity to make savings from "how" we work and more savings will need to be made from the front line - the "what" we do. 4. We would also lose the new organisational framework's role as the platform from which to deliver the £340 m savings that are required.	5	2	10

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RA 3	Senior managers do not support the new framework and actively resist the changes. Partners and key stakeholders - headteachers, governors etc - do not support the changes.	3	3	9	Full consultation is taking place in order to engage staff in the process of change and allow them to influence the outcome. Elements of the new operational framework will be designed with staff and managers to create relevant new solutions and buy-in. Early contact, regular communication and other meetings with partners and stakeholders to explain our ideas. Proposals have been made for voluntary redundancy and for filling vacant posts according to standard protocols (i.e. the Council's 'slotting in', priority candidate, and redeployment processes)	2	2	4
RA 4	staff morale falls and impacts on service delivery	3	4	12	Full consultation and engagement has taken place and staff have welcomed the fact that we are actively pursuing change. The risk to morale is limited to senior staff who are impacted by these proposals. Uncertainty damages morale; moving quickly and decisively will reduce this risk. Communication plans are in place and for most staff and most services any proposed changes to, and consultation with, the senior management will not impact their day-to-day delivery of service. It is the role of senior managers to show leadership during change. Type 2: the consequence of not changing the framework 1. Failure to tackle silo-working may actually have a worse effect on morale. Staff expect change and are ready for it. 2. Maintaining the current culture may worsen staff morale as the informal dialogue so far has indicated a positive desire among staff for change	3	2	6
RA 5	Staff who are not successful in being 'slotted in' or redeployed to a new post as a priority candidate may leave.	3	3	9	HR is ready to appoint replacements following the standard processes of looking first for internal candidates to 'act up' as interims.	2	3	6

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RA 6	consultation is legally challenged causing delay	5	2	10	Mitigation has already taken place: - we are allowing longer than statutorily necessary - we are communicating widely and frequently - we have a robust process that is legally defensible - meetings have been held, and will continue to take place, with the Trades Unions	4	1	4
RA 7	HR division does not have the resources to manage the HR elements of the project or produce the new HR structure in time for 1 April 2011	3	3	9	HR have scoped the requirement and dedicated staff to this project	3	2	6
RA 8	Finance division does not have the resources to recast the 2011/2 budgets to align with the new structure, or create the new accounting structure and controls, possibly due to being occupied by other major projects (Oracle release 12 in Nov 2010 and IFRS)	5	4	20	Finance are currently scoping the work. Extra resources will be provided if necessary. The workload will be eased by: - restructuring at directorate level: individual outward-facing services will not be restructured but will either not move or move in their entirety to a new directorate structure - all moves will take place at the end of the FY - so no need for mid-FY adjustments - finance can reassess their current workload priorities in the light of Member decisions today as this proposed new structure was outside their knowledge when the business plan for the division was set in April 2010. Type 2: the consequence of NOT implementing the new framework on 1 April 2011 The work will become more complex, and maintaining proper financial controls made more difficult if the change does not align with the year end.	4	3	12

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RA 9	The change in framework weakens financial controls	5	3	15	Finance are engaged on scoping the changes necessary. The work to ensure robust financial controls in the new organisational framework will be itemised in the transition plan. The change at a single date (1 April) means we avoid the intermediate states (and their associated risk of confusion over accountability) which are inevitable if the changes are done as a sequence over time. Type 2: taken at face value this risk could be used to advocate not changing the framework at any date	3	3	9
RA10	The change to a new framework causes confusion over accountabilities and responsibilities (not just financial matters, but accountabilities and responsibilities for services in general)	4	4	16	The changeover applies only to Tier 1 and tier 2 managers. Responsibility for services and finance will need to be clarified through the transition plan and the 'D Day' handover plan A single changeover date for all affected will be planned for to reduce the opportunity for confusion among staff in general.	2	2	4
RA 11	Actions 'in flight' and responsibilities are dropped or lost during the change to a new framework (not just financial matters, but accountabilities and responsibilities for services in general)	3	3	9	We will have a scrupulous transfer of all activities including (a) a default destination for activities in each existing directorate - anything that is not itemised goes to the default destination and (b) a small close down team to make sure there are no trailing edges in any directorate that closes.	3	1	3
RA 12	Changes to IT may not be made in time	5	3	15	IT are already working with HR and finance to identify changes to systems, and examining changes to IT support systems. The next stage is to identify whether, as a result of the new structure, staff need access to additional applications (a service moving to a new directorate may need access to some of that directorate's internal systems)	3	3	9

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RA 13	Service delivery suffers as a result of changes to top-level structures, and performance drops	3	4	12	Individual services are not being restructured, but continue unchanged except that the reporting line to a director may change on 1 April This 'no change' message for services will be repeatedly communicated. Detailed planning will take place for every directorate to identify every exception to the 'no change' rule. The new directorates will be expected to nominate a transition manager to ensure that all the necessary steps are taken in advance to ensure smooth operation from 1 April. We aim to fill tier 1 posts in January 2011. Tier 1 appointees will be 'designate' until 1 April 2011 giving them time to prepare for a new role.	3	2	6
RA14	Adverse media coverage. Staff's openness about the areas for improvement could be portrayed by the media in a manner that is damaging to KCC's reputation	4	3	12	By starting the savings on efficiency at the top tiers of management, the changes should be seen in a positive light. The positive support of staff for the changes is a factor that supports us - we need to maintain that support through engagement of staff. It is the sign of an excellent organisation that it is willing to examine how it currently operates and be frank and open about itself and look for ways to improve.	4	2	8

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RA15	Not able to plan for the 2011/12 budget. Within the planning for the four-year MTFP - as well as ensuring we are able to achieve overall balance and implementation of any proposals - it is clearly essential that we have proposals costed and ready to balance the 2011-12 budget. This could be disrupted by the change programme. Impact of these proposed changes to senior management and disturbance to existing management teams may undermine the ability of senior officers to support KCC in implementing the significant actions that are likely to be required for the MTFP and the reductions we may face of between 25% - 40% in funding	5	4	20	These changes to management arrangements are being widely consulted upon, have been preceded by a widely-held informal consultation, and officers are well aware that change is underway. The responses have shown a broad recognition of the need for change and awareness of the difficulties we have from our current style of working. The timing of this process is well ahead of the actions necessary for any implementation of the MTFP, and any changes to senior management arrangements should be in place by the end of January 2011. Any vacancies that may arise from this process will, in the first case, be filled by internal acting-up interims to ensure continuity. CMT as the programme board for the change programme and for the MTFP should ensure that work is not carried out in two separate but parallel workstreams but is co-ordinated. A separate workstream with the programme board will oversee the detailed activity necessary to compile the budget proposals for 2011-12 and ensure actions are prepared/pursued appropriately. This will be reported separately to CMT.	5	2	10
RA16	There is currently a safeguarding inspection into Children's social care. It is important that the inspectors do not make any invalid assumptions about the impact upon the service of the consultation or the proposed change to	5	3	15	KK and RT will speak directly with inspectors to explain and allay any concerns	5	1	5

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RA17	Risk of opposition to the business support directorate model	4	3	12	Detailed transition planning provides the opportunity to address concerns and, within the remit of a business support directorate, to adjust the delivery of service. Workshops will be held with staff and managers to design new processes for business support. Type 2. Failure to implement the business support directorate Retention of the current federated model of business support within directorates perpetuates the duplication of effort and silo-working and their associated cost - something which staff have identified as a feature of KCC that needs to change.	2	3	6
RA18	Risk of opposition to the new Education and Families model from headteachers and partners	4	3	12	Consultation and explanation of the model. Reassurance around Children's Trusts and Locality Boards. Await guidance from Government on new role	2	2	4

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