Corporate Policy and Scrutiny Committee

Overview of Delivery Risk Assessment

Tuesday 26 March 2019

10:00am

Committee Room 1

Essex County Council

Summary

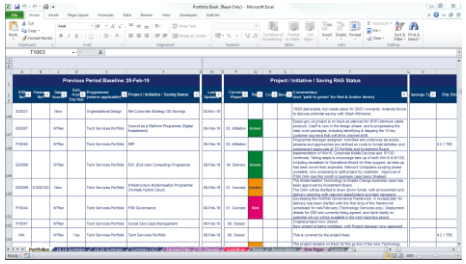
Background

- Largely driven by the financial challenges that ECC face, there is a keen interest at all levels in the delivery status (cost, quality, timeline, etc.) of initiatives across the organisation, including:
  - Projects / Programmes being managed on behalf of the organisation by Delivery & Service Design (DSD)
  - Change initiatives outside of DSD control, being led and delivered by various business functions
  - Implementation of Service Choices as agreed by Members
  - Technology Services Projects / Programmes
  - Efficiencies and other budget reductions
- Pre OD, DSD took a lead in consolidating the delivery status of these initiatives, however it was agreed that this was no longer appropriate & resourcing was reduced accordingly
- Post OD reporting had been ad-hoc, largely responding to immediate identified needs
- Circa, Oct 2018, it was recognised that an effective consolidated view of ECC wide delivery status was required and the Delivery Assurance Team within DSD were asked to take a lead

Agreed Delivery Risk Assessment Reporting Process

- As part of the DSD Heads of Portfolio ongoing dialogue with Exec Directors and FLTs, they take a lead on behalf of ECC / CLT in order to capture the delivery status of all strategic initiatives & agreed cost savings objectives (with the exception of general budget savings e.g. vacancies)
- A monthly reporting rhythm has been established, with the following aims / parameters:
  - Ensure all strategic initiatives, with the potential to impact ECCs budget, are reported upon with appropriate rigour, in a consistent fashion, with an aim to identify any “at risk” items requiring intervention
  - Ensure Finance have a regular and predictable refresh of delivery status and its financial impact across ECC
  - Ensure CLT (and other senior decision making forums) are kept up to date with initiatives with the potential to impact ECCs budget status, with the emphasis on identifying items requiring early intervention
- Complements Budget Management process led by Finance.

Monthly Reporting Components



Portfolio Book

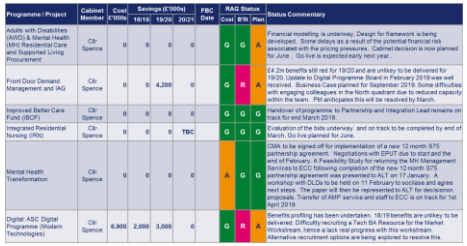
- Excel based, consolidated record of all DSD Project / Programmes & agreed cost saving initiatives across ECC
- Maintained by DSD, through tight engagement with FLTs / Finance Reps
- “Sophisticated” features allow the majority of reporting requirements to be generated “at the touch of a button”
- Agreed monthly “rhythm” and timing to ensure updates are sought, applied correctly, validated and cross-checked with Finance

Delivery Risk Assessment

- PowerPoint based report, largely generated from the Portfolio Book
- Presented to the Performance Board (CLT) and Investment Board
- Contains:
  - *Summary view and delivery RAG status for 2018/19 & 2019/20 initiatives*
  - *Any “Mitigation” proposals to remediate any items declared “non-deliverable”*
  - *RAG Summary of all 2019/20 initiatives, by Function*

2018/19 Summary Delivery Assessment

As @ 18-Feb-19	Saving Totals		Deliverability RAG Assessment				Mitigations	
Function	Original (Baseline) £'000	Forecast (excl. Non Deliverable) £'000	Non Deliverable £'000	Red £'000	Amber £'000	Green £'000	Agreed £'000	Proposed £'000
Adult Social Care	30,384	28,875	4,266	308	2,493	26,074	427	3,839
Children & Families	3,955	1,927	2,872			1,927	844	1,890
Corporate & Customer	5,729	6,043	80		80	5,963	80	
Corporate Development	2,743	3,627	1,622			3,627	1,622	
Education	3,631	3,546	85			3,546		85
Organisation Development & People	621	621				621		
Place & Public Health	7,044	7,044	2,155	400	387	6,257	2,155	
Service Area Savings	54,087	51,683	11,080	708	2,960	48,015	5,128	5,814
COOC	4,456	4,669				4,669		
Total ECC Savings	58,543	56,352	11,080	708	2,960	52,684	5,128	5,814
			16%	1%	4%	78%		
Movement from Previous Period			5,952	5,860	2,835	6,746		
Previous Period			5,128	6,568	5,795	45,938		



Programme / Project	Cabinet Member	Cost £'000s	Savings (£'000s) 18/19	19/20	20/21	FBC Date	RAG Status Cost	B'fits	Plan	Status Commentary
Adults with Disabilities (AWD) & Mental Health (MH) Residential Care and Supported Living Procurement	Cllr Spence	0	0	0	0		G	G	A	Financial modelling is underway. Design for framework is being developed. Some delays as a result of the potential financial risk associated with the pricing pressures. Cabinet decision is now planned for June. Go live is expected early next year.
Front Door Demand Management and IAG	Cllr Spence	0	0	4,200	0		G	R	A	£4.2m benefits still red for 19/20 and are unlikey to be delivered for 19/20. Update to Digital Programme Board in February 2019 was well received. Business Case planned for September 2019. Some difficulties with engaging colleagues in the North quadrant due to reduced capacity within the team. PM anticipates this will be resolved by March.
Improved Better Care Fund (IBCF)	Cllr Spence	0	0	0	0		G	G	G	Handover of programme to Partnership and Integration Lead remains on track for end March 2019.
Integrated Residential Nursing (IRN)	Cllr Spence	0	0	0	TBC		G	G	G	Evaluation of the bids underway and on track to be completed by end of March. Go live planned for June.
Mental Health Transformation	Cllr Spence	0	0	0	0		A	G	G	DWA to be signed off for implementation of a new 12 month S75 partnership agreement. Negotiations with EPUT due to start and the end of February. A Feasibility Study for returning the MH Management Services to ECC following completion of the new 12 month S75 partnership agreement was presented to ALT on 17 January. A workshop with DLDs to be held on 11 February to socialise and agree next steps. The paper will then be represented to ALT for decisionon proposals. Transfer of AMP service and staff to ECC is on track for 1st April 2019.
Digital ASC Digital Programme (Modern Technologies)	Cllr Spence	6,900	2,000	3,000	0		G	R	A	Benefits profiling has been undertaken. 18/19 benefits are unlikey to be delivered. Difficulty recruiting a Tech BA Resource for the Market Workstream, hence a lack real progress with this workstream. Alternative recruitment options are being explored to resolve this.

Transformation Exception Report

- PowerPoint based report, largely generated from the Portfolio Book, but with additional commentary supplied by DSD and Tech Services
- Presented to the Performance Board and subsequently the Investment Board
- Contains:
  - *Notable highlights, incl. key successes and any exceptions of note*
  - *Summary of the Tech Services Portfolio*
  - *High-level summary of the previous Investment Board*
  - *Investment Board Forward Plan*
  - *Summary of DSD supported Programmes / Projects by Function*

How it works in practice – an explanation of the process

- Baseline targets were agreed by Cabinet in February for financial year commencing April, in order to drive in order to drive ECC-wide savings
- Savings are achieved through a combination of DSD-led & Service-led projects & service choices
- Projects/initiatives are assessed on the *evidence* of likelihood of achievement of the baselined savings targets. This is an ongoing process through the collaboration of DSD, Finance & services
- In line with the monthly financial reporting cycle, reports are run that summarise the latest position against the baseline
- Where savings are categorised as 'Non-deliverable', mitigating initiatives are proposed for formal agreement by CLT acting as Performance Board
- Commentary is provided to provide insight and highlight significant movements & key areas of risk
- £51m of savings are delivered or showing high confidence of being delivered by the original method, compared to an original baseline saving of £58.5m. A further £11m has been delivered via mitigation or over delivery of particular projects. In this period £0.9m savings are still carrying some risk. We are on schedule to deliver between £61.8m and £64.4m against a baseline target of £58.5m.
- The integrity of DRA reporting is ensured through:
  - high quality conversations between Services and Finance and Project professionals
  - automated reporting from 'single version of the truth' Excel model (Portfolio Book)
  - restricted access to make changes in the model (to only relevant authorised officers)
  - review of automated control reports that highlight potential errors
  - reconciliation between the Portfolio Book and the formal budgets administered by Finance
  - review and explanation of the monthly movements
  - review of draft reports in DSD Delivery Assurance Review Meeting attended by Finance
  - monthly review of reports by Performance Board and Investment Board

Management of Delivery Risk

- Over and above the project management disciplines employed in DSD-led project delivery, risk to project delivery is managed by:
  - Ongoing dialogue between DSD Heads of Portfolio, Exec Directors and FLTs
  - A structured risk-based health-check process for DSD-led projects
  - The review of summary health-check results in monthly DSD review meetings
  - Critical review of project status, including development of the monthly DRA and TER reports
  - Selective intervention by DSD Delivery Assurance where key project risks and issues are identified

2018/19 DRA - Update Against Previous Period

2018/19 Summary Delivery Assessment								
As @ 14-Mar-19	Saving Totals		Deliverability RAG Assessment				Mitigations	
Function	Original (Baseline) £'000	Forecast (excl. Non Deliverable) £'000	Non Deliverable £'000	Red £'000	Amber £'000	Green £'000	Agreed £'000	Proposed £'000
Adult Social Care	30,364	33,468	5,951	113		33,355	4,266	1,685
Children & Families	3,955	3,817	2,872			3,817	2,734	
Corporate & Customer	5,729	6,051	80			6,051	80	
Corporate Development	2,743	3,627	1,622			3,627	1,622	
Education	3,631	3,631	85			3,631	85	
Organisation Development & People	621	621				621		
Place & Public Health	7,044	7,044	2,155	400	387	6,257	2,155	
Service Area Savings	54,087	58,259	12,765	513	387	57,359	10,942	1,685
COOC	4,456	4,456				4,456		
Total ECC Savings	58,543	62,715	12,765 16.9%	513 0.7%	387 0.5%	61,815 81.9%	10,942	1,685
			↑	↓	↓	↑		
Movement from Previous Period			1,685	195	2,573	9,131		
Previous Period			11,080	708	2,960	52,684		

2019/20 DRA - Update Against Previous Period

2019/20 Summary Delivery Assessment								
As @ 14-Mar-19	Saving Totals		Deliverability RAG Assessment				Mitigations	
Function	Original (Baseline) £'000	Forecast (excl. Non Deliverable) £'000	Non Deliverable £'000	Red £'000	Amber £'000	Green £'000	Agreed £'000	Proposed £'000
Adult Social Care	28,836	28,836		7,700	8,341	12,795		
Children & Families	6,046	6,046		1,421	2,626	1,999		
Corporate & Customer	5,916	5,916			2,473	3,443		
Corporate Development	2,570	2,570		742	199	1,629		
Education	1,973	1,973		270	400	1,303		
Organisation Development & People	384	384				384		
Place & Public Health	11,985	11,985		1,414	2,748	7,823		
Service Area Savings	57,710	57,710		11,547	16,787	29,376		
COOC	1,868	1,868				1,868		
Total ECC Savings	59,578	59,578	-	11,547 19.4%	16,787 28.2%	31,244 52.4%		
			→	↑	↓	→		
Movement from Previous Period				40	40			
Previous Period				11,507	16,827	31,244		

Savings at significant risk (Red) include:
-a savings target of £4.2m in Adults Social Care, to be achieved through a step change in the quality and accessibility of Information, Advice and Guidance for vulnerable people **and exploring opportunities for better managing demand for ASC at the first point of contact.**
-an additional savings target in Adults of £3m, to be achieved through the use of technology and information systems to reduce the burden on practitioners and support best practice

Questions