Delivery Risk Assessment - An overview
Scrutiny 26th November 2019

Prepared by TDS Delivery Assurance
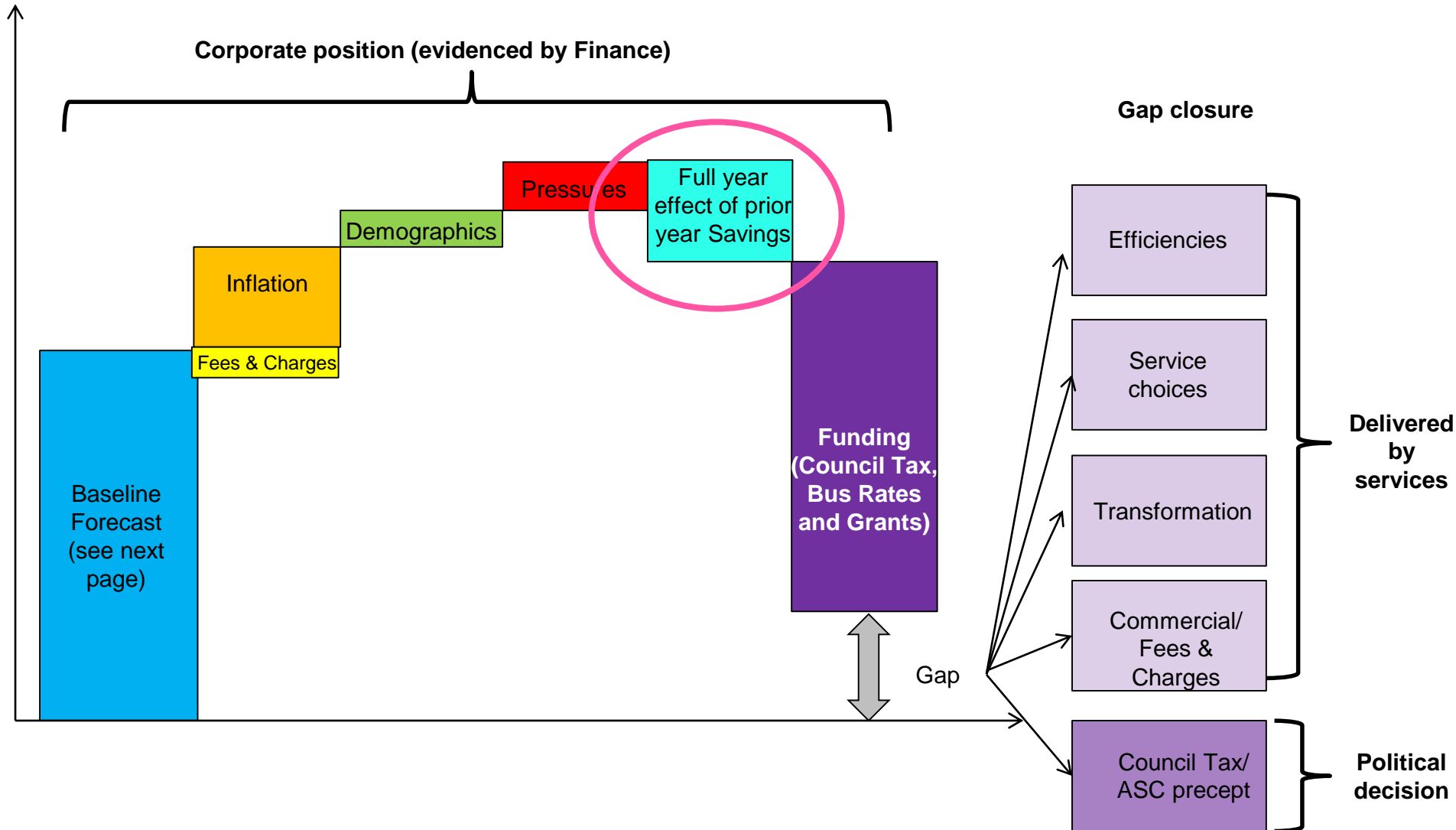November 2019

Enquiries to Debbie Knopp, Director Transformation Delivery & Support (TDS)

Essex County Council

Financial Context

Our financial performance at Q2 is £2.6m over spend (0.3%)

Corporate position (evidenced by Finance)

Gap closure

Pressures

Full year effect of prior year Savings

Demographics

Inflation

Fees & Charges

Baseline Forecast (see next page)

Funding (Council Tax, Bus Rates and Grants)

Gap

Efficiencies

Service choices

Transformation

Commercial/ Fees & Charges

Delivered by services

Council Tax/ ASC precept

Political decision

Summary

Background

- The Transformation Delivery & Support Directorate (TDS) undertake the Delivery Risk Assessment to give greater understanding of the risk being accepted in budget setting for the following year and a monthly progress report for the current year.

- This process has been in place since October 2018 and is led by the Delivery Assurance Team working collaboratively with Heads of Portfolio (project delivery) Heads of Finance and budget holders.

- Projects/initiatives are assessed on the _evidence_ of likelihood of achievement of the baselined savings targets. 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)
  - reconciliation between the Portfolio Book and the formal budgets administered by Finance
  - review and explanation of the monthly movements
  - monthly review of reports by Performance Board and Investment Board

- 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 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 key initiatives, with the emphasis on identifying items requiring early intervention

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 2019/20 & 2020/21 initiatives*
  - *Any "Mitigation" proposals to remediate any items declared "non-deliverable"*
  - *RAG Summary of all 2020/21 initiatives, by Function*

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*

Managing Risk

- Reports go to CLT acting as Performance Board and to Investment Board monthly.

- Where savings are categorised as 'Non-deliverable', mitigating initiatives are proposed for formal agreement by CLT

- Commentary is provided to provide insight and highlight significant movements & key areas of risk

- The report is accompanied by a 'Transformation Exception Report' which reports 'good news' and 'watch out for items' in project delivery

- Initiatives which are supported by TDS project professionals are subject to a structured risk-based health-check process, supported by a project board and TDS Delivery Assurance interventions as required

- Initiatives which are run by Services primarily interact with finance at a budget management level, but are able to access TDS Delivery Assurance or project support if needed

Delivery Risk Assessment Summary at October 17th

2019/20 Summary Delivery Assessment										
As @ 17-Oct-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 Sustainable £'000	Agreed One-off £'000	Proposed £'000
Adult Social Care	28,836	29,290	3,900	767	5,469	23,104		3,900	
Children & Families	6,046	5,946	2,283	225	1,335	4,386		2,183	100
Corporate & Customer	7,009	6,647	587	180		6,467		125	462
Finance & Technology	1,403	1,361	42		462	899			42
Education	1,973	1,773	670			1,773		470	200
Organisation Development & People	384	384				384			
Place & Public Health	12,059	11,769	4,794	89	645	11,035		4,504	290
Service Area Savings	57,710	57,170	12,276	1,261	7,911	48,048		11,182	1,094
COOC	1,868	1,868				1,868			
Total ECC Savings	**59,578**	**59,038**	12,276 17.2%	1,261 1.8%	7,911 11.1%	49,916 69.9%		11,182	1,094

		↑	↓	↓	↑
Movement from Previous Period		1,094	424	2,707	4,459
Previous Period		11,182	1,685	10,618	45,457

RAG Assessment Criteria

RAG	Assessment Criteria / Guidance
Non Deliverable	Project / Programme will not deliver benefits as expected. To be accompanied by commentary indicating underlying causes and impact. Projects indicating delivery but with a benefit shortfall or delay, may subsequently be re-baselined after reporting 'Non Deliverable'
Red*	Unable to quantify or validate means to realise the proposed benefit, e.g. - Plans not realistic (or do not exist and are not expected to exist in time to ensure delivery) - And / Or an event has rendered savings undeliverable at this point (replanning etc. req., but not yet confirmed as Non-Deliverable) - And / Or High risk(s), that are unresolved, that benefit will not be delivered unless resolution(s) can be identified & implemented
Amber*	Evidence exists that valid benefits can be measured and delivery plans are in place (or are expected to be in place in sufficient time to ensure delivery as expected), though some issues or significant blockage to progress exists that could or is causing problems.
Green	Benefits have been quantified, means to deliver (incl. resources) and path to delivery are known / on target, and no significant current issues exist.

* Projects / Programmes assessed as Red or Amber will be accompanied by "path to green" commentary, indicating what support / actions are required to get the initiative back on track

Delivery Risk Assessment Observations from the year to date

- The scale of savings which have required mitigation are similar to previous years.
- Under-delivery in projects has a range of causes which can be classified as:
  - An assumption has proved incorrect or something changed, eg. Citizens changed behaviour as the result of traffic enforcement cameras more quickly than expected reducing income from fines.
  - The saving was generally ambitious or has not been tried before, it will have been documented as high risk (red)
  - Political/public circumstances change altering direction
- There is a good discipline of identifying mitigations within Directorates (or Functions) to ensure the budget is balanced.

Learning

- There is increased emphasis on future year budget processes in seeking a strong evidence base for proposals

Whilst

- Maintaining ambition which means dealing with some uncertainty/risk
- Ensuring decisions are sustainable and focus on long term outcomes for citizens, as articulated in business plans