

SUBJECT: Strategic Risk Assessment

MEETING: Audit Committee

DATE: 11th January 2018

DIVISIONS/WARDS AFFECTED: All

1. PURPOSE:

- 1.1 To provide members with an overview of the current strategic risks facing the authority as provided in appendix 1.
- 1.2 To fulfil Audit Committee's role in providing assurance of the adequacy of the Council's risk management framework.

2. RECOMMENDATIONS:

- 2.1 That members use the risk assessment to consider the effectiveness of the authority's risk management arrangements and on an on-going basis to hold the responsibility holders to account to ensure that risk is being appropriately managed.
- 2.2 That members consider the strategic risk assessment presented for the next three years, in particular those of relevance to the committee and scrutinise the extent to which the strategic risks facing the authority are appropriately captured.

3. KEY ISSUES:

- 3.1 Audit Committee has a specific role in providing independent assurance of the adequacy of the Council's risk management framework. The Strategic risk assessment ensures that:
 - Strategic risks are identified and monitored by the authority.
 - Risk controls are appropriate and proportionate
 - Senior managers and elected members systematically review the strategic risks facing the authority.
- 3.2 The Strategic Risk Assessment is updated based on the latest evidence available in line with the Council's strategic risk management policy, a summary is provided in Appendix 2. Some of these evidence sources will already be scrutinised by Audit Committee through the year, for example, internal and external Audit and Inspection reports and the Council's Annual Governance Statement. The risk assessment only covers high and medium level risks. Lower level operational risks are not registered unless they are projected to escalate within the three years covered. These are managed and monitored through teams' service plans. The pre and post mitigation risk levels are presented separately. In most cases mitigating actions result in a change to the likelihood of the risk rather than the potential consequences as our actions are generally aimed at reducing the chance of a negative event occurring rather than lessening it's impact. Clearly there will be exceptions.

- 3.3 The risk assessment is a living document and will evolve over the course of the year as new information comes to light. The risk assessment should continue to focus on medium term risks to service delivery. There have therefore been a number of amendments to the strategic risk register to ensure it accurately manages the current strategic risks facing the Council as set out in Appendix 1. This has included updating the focus of some existing risks, which have been marked as revised. Any new risks identified since the last annual report to Audit Committee have also been highlighted. Any risk that has been removed from the strategic risk register has been identified in a separate table. Where there remains a level of risk these risks will continue to be monitored and action undertaken through the relevant service business plan.
- 3.4 In line with the Well-being of Future Generations Act, identification and mitigation of longer term risks that will impact on future generations at community level, but will have a lesser impact on the medium term delivery of council services is an area for continued development. The Well-being Assessment for Monmouthshire identifies a number of these. The Public Service Board draft Well-being Plan sets out the objectives that public services in Monmouthshire are developing collaboratively.
- 3.5 Following presentation to Audit Committee, the risk assessment will be presented to Cabinet for sign-off. The risk assessment is a living document and will evolve over the course of the year as new information comes to light, including alignment with the developing Corporate Plan. Also, any amendments required in line with initial feedback of a recent internal audit review of the council's risk management arrangements carried out in 2017 will continue to be considered. An up-to-date risk log is accessible to members on the Council's intranet - The Hub. This will ensure, as well as specific scrutiny of the risk assessment annually, that committees are able to use the risk register to re-visit the information at any point in the year to re-prioritise their work plan as appropriate.

4. REASONS:

- 4.1 To provide timely and contributory information on strategic risk management as part of the authority's performance management framework in ensuring that the authority is well-run and is able to contribute to achieving sustainable and resilient communities.

5. AUTHOR:

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Appendix 1 – Strategic Risk Assessment

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
1. Revised	Potential Risk that: The authority does not remain relevant and viable for future generations due to not having a sustainable delivery model.	<p>The introduction of the Well-being of Future Generations Act requires us to plan on a decadal and generational basis and our current models do not extend to this timeframe.</p> <p>In light of the financial, demographic and demand pressures we face it is not enough to keep our county and council going for now, we have to ensure it is continually growing for the future.</p> <p>A corporate plan is being developed that sets out a clear direction for the Council and the resources required to deliver it. The council's key delivery strategies to enable the delivery of this are being revised.</p> <p>Whilst the Future Monmouthshire work is making progress and establishing key themes to work on there is still some way to go to establish the future operating model for the authority and a one-year (2018/19) budget process has been developed.</p>	2017/18	Possible	Major	Medium	Develop and specify the business model for the authority in the long term through the Future Monmouthshire programme and continue to implement the programme to meet short and long term needs	Chief Executive, February 2018	A corporate plan is being developed by Cabinet that sets out a clear direction for the Council and the resources required to deliver it.	2017/18	Unlikely	Major	Low	Paul Matthews & Cllr Peter Fox	Select Committee: All Objectives: All
			2018/19	Possible	Major	Medium				2018/19	Unlikely	Major	Low		
			2019/20	Possible	Major	Medium				2019/20	Unlikely	Major	Low		
						Following the development of the corporate plan ensure the Council's key delivery strategies e.g. assets, people and digital are reviewed and aligned to deliver the corporate plan	Deputy Chief Executive May 2018	Following the approval of the corporate plan the Council's key delivery strategies to enable the delivery of this will be revised. Future Monmouthshire has set a number of guiding principles that will help ensure that any work and decisions that need to be made in the short term can be consistent with ongoing work to establish the medium and long term picture.							
						In partnership with Gwent public sector partners, commission work on future trends, including understanding how particular trends impact at a local level	Head of Policy and Governance March 2018	The project has been commissioned and research has commenced to develop understanding of trends that could impact on well-being and delivery of public services.							
2 revised	Potential Risk that: Without appropriate and effective governance infrastructure the Council may not deliver its objectives.	<p>Good governance is a fundamental part of local authority working, arrangements are multifaceted and need to be subject to continuing review to ensure they are effective.</p> <p>The Well-being of Future Generations Act sets longer term goals we need to work towards, and the ways of working we need to adopt. To effectively implement this will require changes to the way we work.</p> <p>The Council is increasingly considering alternative delivery models to sustain services for example for Leisure, Tourism, Culture and Youth Services. These</p>	2017/18	Possible	Substantial	Medium	Update the Councils' constitution to ensure it reflects recent changes in legislation and governance.	Monitoring Officer December 2017	In December 2017 Council adopted changes to the council's constitution.	2017/18	Possible	Substantial	Medium	Kellie Beirne & Cllr Paul Jordan	Select Committees: Audit Committee Objectives: All
			2018/19	Possible	Substantial	Medium				2018/19	Unlikely	Substantial	Low		
			2019/20	Possible	Substantial	Medium				2019/20	Unlikely	Substantial	Low		

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		<p>models are often complex and have many risks and challenges.</p> <p>New joint arrangements require robust governance arrangements to be established.</p> <p>The White Paper <i>Reforming Local Government: Resilient and Renewed</i> sets out proposals to strengthen the role of councils and councillors and review the role of community councils.</p> <p>Concerns on overlapping and complicated community governance structures have led to some dissatisfaction amongst community stakeholders.</p> <p>Monmouthshire County Council recognises the important and valuable contribution made by volunteers in enhancing service delivery. There is a need to formalise arrangements for the role of volunteers in service delivery and set out the terms governing their engagement and ongoing relationship with the Council</p> <p>The latest Wales Audit Office Annual Improvement Report (AIR) concludes “Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2017-18 providing it responds constructively and in a timely way to our statutory recommendations.”</p>					<p>Pilot the Community Governance structure in the Bryn Y Cwm area and finalise the Community Governance review and agree through Council</p>	Head of Policy and Governance	<p>Council agreed in March 2017 that the review of community governance should be finalised as early as possible to allow the new Council to reach agreement as to the shape and structure of community engagement; and that the community governance structure designed as a part of member working group is piloted in the Bryn Y Cwm area.</p> <p>Five new cluster town and community councils have been set up and allocated an SLT lead. The governance review will need to consider this.</p>							
							Finalise and present the full business case on Leisure, Tourism, Culture and Youth Services for further consideration by Members	Head of Tourism, Leisure & Culture February 2018	A Full Business Case has been scrutinised by a joint select committee in July 2017 and explains the background to the proposal and sets out the Strategic, Financial, Economic, Commercial and Management case in support of the proposal, with the key focus on the financial viability of the proposal.							
							Manage our actions in response to Estyn, CSSIW and WAO via existing mechanisms	Senior Leadership Team, timetable as per action plans	The Council has arrangements in place to respond to regulatory reports.							

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							Deliver the implementation plan for volunteering policy (adopted in December 2017) in all service/business areas and continued implementation of the Volunteer toolkit,	HR Manager & Communities and Partnership Development Team Timescale as per implementation plan	Safe recruitment, and effective management of, the volunteer workforce has been a major focus. A quarterly MCC volunteer network supports services on volunteer management. A Volunteering Policy was adopted by full Council in December 2017. This is supported by the Volunteering Toolkit, which all services and schools using the services of volunteers need to comply with. A six month volunteer coordination post was created to support implementation of the volunteer policy.							
3 revised	Potential Risk that: The Council and partners do not make sufficient progress to improve well-being through regional and partnership working.	The Future Generations Act puts a well-being duty on specified public bodies to act jointly via Public Service Boards (PSB) to improve the economic, social, environmental and cultural well-being of their area. The PSB well-being plan and delivery mechanisms to achieve their objectives are currently being formalised. The Council as a statutory partner will have an important role in taking these forward. <i>The White Paper Reforming Local Government: Resilient and Renewed</i> sets out arrangements for regional working. As part of this it highlights regional working requires clarity of purpose about what the collaboration is trying to achieve, and also clarity regarding roles and responsibilities, governance, accountability and financing mechanisms; not just for the organisations delivering services, but for the people receiving services	2017/18	Possible	Substantial	Medium	To develop the Public Service Board Well-being plan, implement a delivery framework and develop the role of the Public Service Board Select Committee to scrutinise the PSB arrangements	Head of Policy and Governance May 2018	Monmouthshire PSB draft well-being plan is currently being consulted on until 7th February 2018	2017/18	Possible	Substantial	Medium	Kellie Beirne, Cllr Peter Fox & Cllr Paul Jordan	Select Committees: Audit Committee Public Service Board Select Committee Objectives: All	
			2018/19	Possible	Substantial	Medium				2018/19	Possible	Substantial	Medium			
			2019/20	Possible	Substantial	Medium				2019/20	Unlikely	Substantial	Low			

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		The Council is already part of regional and partnership working arrangements in a variety of services, some of these require further development													
4	Potential Risk that: Some services may become financially unsustainable in the short to medium term.	<p>The latest assumptions (November 2017) indicate a cumulative budget gap of £14 million over the period 2018/19 -2021/22.</p> <p>Over the last four years, the Council has had to manage £19.1 million of savings from its service budgets, whilst additionally also taking advantage of the cashflow savings effect of revising its capital finance arrangements of circa £3.3million.,</p> <p>The council holds appropriate reserves but there is little opportunity to replenish reserve balances as budgets get tighter. Ear marked reserves need to work harder to help the Authority through the financial challenges and risks it faces. The medium term projection is for usable and available ear marked reserves to fall to £1.4million.</p> <p>Funding from Welsh Government has reduced over the period and this looks set to continue for the foreseeable future.</p> <p>At the same time pressures on the budget have been increasing in terms of demographic growth, demand on services and expectations, contract price inflation and redundancy costs.</p>	2017/18	Possible	Major	Medium	Ensure that services deliver within budget, deliver savings targets and continue to identify, review and challenge pressures.	Head Of Finance March 2018	Overall Net Council Fund at Month 2 2017/18 is reporting a £164,000 overspend. This is an improvement on recent years monitoring in the same period however it is identified this is potentially overoptimistic in a number of areas. 95% of savings are forecast to be achieved.	2017/18	Unlikely	Major	Low	Joy Robson and Cllr Phil Murphy	Select Committee: All Objectives: All
			2018/19	Possible	Major	Medium				2018/19	Unlikely	Major	Low		
			2019/20	Possible	Major	Medium	All services to model savings for 2018-19 based on the principles of Future Monmouthshire and begin planning a longer-term programme which aligns with the medium Term Financial Plan.	Head Of Finance March 2018	All services have been asked to plan how their services would look within a 5% budget reduction for 2018/19 and begin to position short-term decisions in the context of a longer-term programme which aligns with the medium Term Financial Plan.	2019/20	Unlikely	Major	Low		
							Develop and implement a commercial strategy aligned to the Corporate Plan	Chief Officer Resources May 2018	The strategy is being drafted.						
							Develop and implement a Strategic procurement review for long term and short term benefits and savings to the Council and the County	Head of Commercial and Integrated Landlord Services March 2019	The Strategic Procurement Review has commenced following initial desktop research. Economy and Development Select Committee are actively engaged in the development of proposals.						
							Continue to Implement the income generation strategy	Assistant Head of Finance Ongoing	A review of fees and charges for services across the Council has been completed and proposals identified for amending charges with effect from April 2018 presented to Cabinet. A strategic review of fees and charges over the medium term is to be completed.						

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5 revised	Potential Risk that: The authority is unable to deliver its political priorities due to insufficient capital funding availability which may also lead to risks of maintaining key infrastructure and other identified pressures.	<p>Reduction in capital budget. The core capital programme has been constrained in order to enable the Band A new schools programme to be funded. The business case is to be developed for Band B and funding identified.</p> <p>A number of significant pressures are documented that are not currently funded – property and highways infrastructure, DDA work, Public rights of way etc.. which carries a considerable risk.</p> <p>The capital receipts balance is set to reduce over the MTFP (2018/19 – 2021/22).</p> <p>Projects, such as the CCR City Deal, require significant capital investment to realise the outcomes.</p> <p>In the event of emergency pressures resources will have to be diverted.</p> <p>There can be significant slippage in gaining capital receipts.</p> <p>There is a risk associated with relying on the need to utilise capital receipts in the same year that they come into the Council and the potential for this to have significant revenue pressures should receipts be delayed and temporary borrowing be required.</p>	2017/18	Possible	Major	Medium	Regularly review assumptions as part of the capital MTFP taking account of any new information that is relevant and the consequential impact on the revenue MTFP.	Deputy Head of Finance Ongoing	The draft capital budget proposals for 2018/19 to 2021/22 identifies a capital strategy that enables the core capital programme, Future schools and other identified schemes to be accommodated is being developed. Notwithstanding this there will still remain a considerable number of pressures that sit outside of any potential to fund them within the Capital MTFP and this has significant risk associated with it.	2017/18	Possible	Major	Medium	Deb Hill- Howells, Joy Robson & Cllr Phil Murphy	<p>Select Committees: Economy and Development & Strong Communities</p> <p>Objectives: All</p>						
			2018/19	Possible	Major	Medium				Further refinement of priority assessments in the property and infrastructure budgets to ensure all pressures have been considered and ranked.	Head of Commercial and Integrated Landlord Services & Head of Operations Ongoing	A revised programme of property surveys and health and safety surveys will be used to prioritise the maintenance programme and associated backlog.	2018/19			Possible	Major	Medium			
			2019/20	Likely	Major	High							Review and update the Asset Management Plan to provide a clear strategy and plan for the management of the council's property and land assets and ensure it aligns to the delivery of the corporate plan.			Head of Commercial and Integrated Landlord Services April 2018	The Asset Management Plan is being updated to align to the delivery of the corporate plan.	2019/20	Possible	Major	Medium
																		Complete and gain approval for the policy of acquisition of investment property.	Head of Commercial and Integrated Landlord Services April 2018	A proposed policy for the acquisition of investment properties has been created and scrutinised by Economy and Development Select Committee the plan is being reviewed based on the feedback and principles of Future Monmouthshire.	

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6 Revised	Potential Risk that: Our workforce is not sufficiently resourced and does not have the right mix of skills which impacts our ability to deliver change, improve performance and deliver our objectives.	Our people are central to the success of our council and county. To maximise the opportunities to deliver our objectives we need to develop knowledge and skills that are not always widespread within our sector The number of employees has reduced in recent years. Sickness levels were an average of 11.5 days per FTE employee in the year to March 2017. A range of services have identified risks to their capacity for service delivery.	2017/18	Possible	Substantial	Medium	To implement a revised people and organisational development strategy following development of the corporate plan and the workforce planning arrangements required to deliver it.	Head of People Services June 2018	A People services business plan for 2017/18 is in place. The people and organisation development strategy and workforce planning arrangements will be developed aligned to the corporate plan.	2017/18	Possible	Substantial	Medium	Tracey Harry & Cllr Phil Murphy	Select Committee: Strong Communities Objectives: All			
			2018/19	Possible	Substantial	Medium				Continue to implement Directorate workforce planning	HR lead & Training Lead Ongoing	To support workforce planning a workflow has been developed to enable service leaders to effectively focus on succession and workforce planning and directorates to develop plans for their workforce. The combination of the workflow and the training and development pathways will help support workforce development.	2018/19			Possible	Substantial	Medium
			2019/20	Possible	Substantial	Medium							Continue to engage with staff on well-being to ensure a focus on addressing identified needs and make better use of data for focussed interventions.			Head of People Services Ongoing	A staff survey, including further questions on wellbeing, has been completed and the results are being used to inform future planning. Workshops have been held to promote staff well-being and support available. A managers checklist has been implemented to ensure all managers undertake appropriate training. Workforce data displays in the HR system are being developed (by February 2018) to provide managers with more timely and a greater range of information to inform the management of their workforce	2019/20
			Embed the attendance and wellbeing policy		HR lead March 2018	The revised attendance and wellbeing policy was approved by Cabinet in June 2017												
			Continue to increase understanding and maximise completion of the check-in, check-out staff appraisal process and use feedback to plan and identify training needs		HR lead Ongoing	Based on feedback received, the Check-in, Check-out (CICO) process has been reviewed and rolled out with more robust guidance, video tutorials and supportive training. Work will continue to increase understanding and maximise completion of the process.												

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7 revised	Potential risk of: Significant harm to vulnerable children or adults due to failure of safeguarding arrangements	Improved outcomes for vulnerable people can only be achieved and sustained when people and organisations work together to design and deliver more integrated services around people's needs In February 2017 Wales Audit Office issued Statutory recommendations for improvement in Safeguarding arrangements in the Kerbcraft scheme report. Internal audit have issued limited assurance reports on volunteering and children's services placements Potential that staff and volunteers begin their appointment without DBS checks having been completed. Within a large organisation with devolved responsibility for recruitment and selection there is opportunity for deviation from agreed processes It is acknowledged that more work is required to strengthen the links between national, regional and local safeguarding activity and ensure the learning through the regional safeguarding boards and sub-groups is embedded in practice and operations in Monmouthshire While there are many steps the council and partners can take to mitigate the risk, significant harm can also occur due to factors that are outside our control meaning that there will always be a level of risk.	2017/18	Possible	Major	Medium	Continually monitor and evaluate process and practice and review accountability for safeguarding and implement actions identified, particularly better use of information.	Corporate Safeguarding Programme Lead Ongoing	The latest evaluation of progress of Monmouthshire County Council's key safeguarding priorities, in the period April – October 2017 was presented to Cabinet in December 2017. This identified measures to highlight progress, identifies risks and sets out clear improvement actions and priorities for further development.	2017/18	Possible	Major	Medium	Will Mclean & Claire Marchant. Cllr Penny Jones & Cllr Richard John	Select Committees: CYP & Adults Objective: Provide children and young people with the best possible start in life Maximise the potential in our communities to develop the well-being of people throughout their lives
			2018/19	Possible	Major	Medium				2018/19	Possible	Major	Medium		
			2019/20	Possible	Major	Medium				2019/20	Possible	Major	Medium		
						Ensure that robust systems are in place within the authority to respond to any concerns arising from allegations or organised abuse	Chief Officer, SCH Ongoing	The SAFE process has been rolled out across the Council and a new system of SBARs (Situation Background Analysis Review) has been introduced.							
						Drive the strategic agenda and the associated programme of activities for safeguarding through the Whole Authority Safeguarding Group (WASG).	Chief Officer, SCH Ongoing	The Corporate safeguarding policy sets out clearly roles, responsibilities and governance arrangements. WASG has an important role, bringing together Chief Officers/ Heads of Service from each directorate to lead safeguarding activity in the Council. To reflect the need to improve systems for identification, management and mitigation of risk, a new system of SBARs (Situation Background Analysis Review) has been introduced to support WASG in identifying risks, overseeing action plans arising from significant event analyses in respect of compliance with the Council's safeguarding policy.							
						As a statutory partner of the regional safeguarding boards continue to work with other statutory partners to implement effective scrutiny arrangements	Chief Officer, SCH Ongoing	At a regional level, the South East Wales Safeguarding Children Board and Safeguarding Adults Boards fulfil the statutory responsibilities set out in the Social Services and Wellbeing (Wales) Act. Monmouthshire County Council is fully represented on both the Children and Adult Safeguarding Boards, and their subgroups. It is acknowledged that more work is required to strengthen the links between national, regional and local safeguarding activity and ensure the learning from the regional boards and sub-groups is embedded in practice and operations in Monmouthshire.							

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							Continue to implement the Children’s services improvement programme and related Workforce and Practice Development Action Plan and Commissioning strategy for Children, Young People and their Families.	Head of Children’s services Timescales as in plan	The Children’s Services Improvement Programme has created a drive to improve the quality child protection practice, application processes and procedures, and ensure staff understand the requirements and expectations of their role and task. This is regularly reported to select committee and continues to be progressed.						
							Deliver the implementation plan for volunteering policy (adopted in December 2017) in all service/business areas and continued implementation of the Volunteer toolkit,	HR Manager & Communities and Partnership Development Team Timescale as implementation plan	Safe recruitment, and effective management of, the volunteer workforce has been a major focus. A quarterly MCC volunteer network supports services on volunteer management. A Volunteering Policy was adopted by full Council in December 2017. This is supported by the Volunteering Toolkit, which all services and schools using the services of volunteers need to comply with. A six month volunteer coordination post was created to support implementation of the volunteer policy.						
							To implement the Action Plan established in response to the Safeguarding arrangements – Kerbcraft scheme report approved by Council in March 2017	Head of Operations, Timescales as in action plan	Audit Committee received a report on the implementation of the Action Plan (Nov 2017). A further report on implementation of the Action Plan has been presented to CYP Select Committee along with the performance data which will thereafter form the basis of annual performance reports to the committee.						

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		<p>Unsustainable provision to meet the demand for Welsh Medium education provision</p> <p>Along with the rest of the organisation, schools are facing a challenging financial settlement and have, for the first time, budgeted to be in a collective deficit by the end of the year. By the end of the financial year 2018/19 it is anticipated 11 schools will be in a deficit reserve position.</p> <p>Schools enter a collective deficit reserve position contrary to current Fairer Funding guidance that Governing bodies have ascribed to.</p>					<p>Deliver the Welsh Education Strategic Plan in collaboration with neighbouring authorities</p> <p>Head of Achievement and Attainment Early 2018</p>	<p>A revised draft is out for consultation as agreed by Cabinet in October 2017 and due to be submitted to Welsh Government early in the new year</p>								
							<p>Continue to work closely with schools to ensure their financial plans are as robust as possible to minimise any impact whilst continuing to improve standards for our young people.</p> <p>Finance Manager – Children & Young People Ongoing</p>	<p>This forecasted position has improved since budgets were set, at month 2 2017/18 School Budget Funding exhibited a breakeven position although the school use of their reserves remains a cause of concern.</p>								
10a	<p>Potential risk of:</p> <p>Information security breaches due to mismanagement of information or external parties gaining access to the network could result in critical and sensitive data being lost, compromising the delivery or availability of Council services and the interaction with external agencies and partners.</p>	<p>There have been a number of high profile cyber-attacks leading to data breaches and compromise of systems both in the public and private sector, such as the ransomware attack in the NHS.</p> <p>Attacks are increasing in volume and there is a need to provide constant and sustained vigilance when mitigating against the possibility of attacks gaining entry to our critical data resources. In order to mitigate sufficiently against cyber threat sufficient funding needs to be available to implement security systems.</p> <p>There remain areas where the secure storage and handling on information requires strengthening.</p> <p>With an increased drive for digital services to improve effectiveness more and more information is being stored digitally, and the need to ensure the confidentiality, integrity and availability of that data is critical for future service delivery.</p>	2017/18	Possible	Major	Medium	<p>Undertake a structured and comprehensive training programme for all staff on cyber security and Data protection</p>	Cyber security service	<p>A cyber security service shared between Gwent Police, TCBC and MCC has been commissioned which acts as an audit function of our technical arrangements, as well as providing training and advice on data security issues. This service also deals with MCC's PSN and the SRS ISO accreditation.</p>	2017/18	Possible	Major	Medium	<p>Sian Hayward & Tracey Harry. Cllr Phil Murphy</p>	<p>Select Committee: Economy and Development</p> <p>Objective: All</p>	
			2018/19	Possible	Major	Medium			2018/19	Possible	Major	Medium				
			2019/20	Possible	Major	Medium			2019/20	Possible	Major	Medium				
							<p>Participate in an SRS business case for partners to procure a robust and comprehensive system that minimises the risk of unauthorised access to MCC's network.</p> <p>Digital Projects Team January 2018</p>		<p>The business case has been agreed by SRS partner organisations and MCC has agreed to procure a Microsoft email and internet filtering service. It will be implemented in January 2018</p>							
							<p>Continuous monitoring of cyber threat and mitigation by the security team, identifying technical solutions to potential risk areas.</p> <p>Deliver a programme of security work identified by the cyber security team, approved for implementation by MCC and undertaken by the SRS as part of their core service delivery</p>	<p>Digital Projects Team Ongoing</p>	<p>A central information security risk log is in place for all partners using the SRS. This is used to identify risk areas and the appropriate mitigations. This is monitored on an operational level by the Digital Projects Team level and overall by the council's SIRO.</p> <p>A significant and comprehensive security review has been undertaken in order to gain Public Sector Network (PSN) accreditation. Penetration or PEN testing has been undertaken across MCC systems and PSN has been resubmitted for accreditation</p>							

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							Implement the Information Strategy to safeguard the integrity and security of our data while taking-steps towards becoming a data-led organisation.	Information Governance Group Ongoing,	The Information Strategy was reviewed and updated in October 2017 to cover the 3 inter-related strands of – Digital Information, Information Governance and Legislation & Data use, Open Data and Business Intelligence.							
							Continue to provide a programme of data protection training and advice and support on information management processes and practice, particularly in identified areas for improvement.	SIRO (Tracey Harry) May 2018	Mandatory data protection training continues to be provided to staff across the Council. A separate programme of events is in place for the introduction of General Data Protection Regulation (GDPR) (see 10b) which will also further enhance our data security and information management arrangements.							
10b new	Potential risk of Not adequately transitioning to the requirements of the General Data Protection Regulation resulting in reputational damage and risk of fines to the Council	The need to comply with General Data Protection Regulation (GDPR) by May 2018.	2017/18	Possible	Substantial	Medium	Deliver the GDPR Action Plan to ensure the Council complies with the regulation by May 2018	SIRO (Tracey Harry) May 2018	The action plan continues to be implemented with oversight from the Council's Information Governance Group	2017/18	Possible	Substantial	Medium	Tracey Harry & Cllr Phil Murphy	Select Committee: Economy and Development Objective: All	
		The regulation impacts the way we process, store, protect and use personal data.	2018/19	Possible	Substantial	Medium				2018/19	Possible	Substantial	Medium			
		Failure to comply could lead to adverse impacts on those whose data is affected, large fines and damage to the Council's reputation.	2019/20	Possible	Substantial	Medium				2019/20	Unlikely	Substantial	low			
		The Council is implementing an action plan to ensure compliance building on existing Data Protection Act process already in place. The risk levels will be reviewed in the next six months in line with progress with the action plan.														
11a new	Potential Risk of a lack of appropriate infrastructure in the County to meet future needs due to key Local Development Plan housing policy targets not being met, in conjunction with the County's changing demography and other external changes such as Severn Bridge tolls and this impact on the housing market. These factors can also impact	Several key LDP policy indicator targets and monitoring outcomes relating to housing provision are not currently being achieved, including new dwelling completions and affordable dwelling completions. The ability for the current LDP to address emerging challenges such as the County's changing demography and the impact of removing the Severn Bridge tolls on the housing market. The need to	2017/18	Possible	Major	Medium	Complete an early review of the Monmouthshire LDP as a result of the need to address the shortfall in the housing land supply and facilitate the identification and allocation of additional housing land.	Head of Planning	An LDP Draft Review Report is available for stakeholder consultation until 5th February 2018. The final Review Report will inform the process for formally commencing the LDP revision process	2017/18	Possible	Major	Medium	Mark Hand and Cllr Bob Greenland	Select Committee: Economy and Development Objective: Develop opportunities for communities and businesses to be part of a thriving and	
				2018/19	Possible	Major				Medium	2018/19	Possible	Major			Medium
				2019/20	Possible	Major				Medium	2019/20	Unlikely	Major			Low

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and respons-ibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective		
			Year	Likeli-hood	Impact	Risk Level				Year	Likeli-hood	Impact	Risk Level				
	<p>on planning for other infrastructure such as transport and energy.</p> <p><i>ICT infrastructure is also important to meet future needs and this has been identified as a specific related risk below (risk 11b)</i></p>	<p>consider the Council’s future vision and the extent to which the current LDP aligns with that and its impact on wider infrastructure planning, such as transport, which could affect future economic, social, environmental and cultural well-being.</p> <p>There is potential for ‘planning by appeal’ and ad hoc development coming forward outside the development plan system.</p> <p>The Monmouthshire Joint Housing Land Availability Study (JHLAS) for 2016-17 demonstrates that the County had 4.0 years housing land. This is the second consecutive year that the land supply has fallen below the 5 year target.</p>													well-connected county		
11b	<p>Potential Risk that:</p> <p>Insufficient ICT infrastructure and skills in the county have the potential to lead to social and economic disadvantages</p>	<p>The majority of businesses now have access to superfast broadband which presents them with further opportunities, although 10% of premises remain without sufficient broadband provision.</p> <p>Monmouthshire residents have high demand for broadband services however a significant skills issue exists in the County with approximately 20% adults in Monmouthshire not using the internet.</p> <p>Other drivers include the council needs to prepare for increased digital public service delivery, the implementation of the Online Universal Credit system, children’s learning opportunities and the provision of digital health care.</p>	2017/18	Likely	Substantial	Medium	Continue to collaborate with the Superfast Business Wales team to support their ICT Exploitation programme.	Head of Enterprise & Community Development Ongoing	We continue to work with Welsh Government to support access to Superfast Cymru Two. MCC is one of two local authorities represented on the Advisory Panel.	2017/18	Likely	Substantial	Medium	Cath Fallon & Cllr Sara Jones	<p>Select Committee: Economy and Development</p> <p>Objectives: Develop opportunities for communities and businesses to be part of a thriving and well-connected county</p>		
			2018/19	Likely	Substantial	Medium				2018/19	Likely	Substantial	Medium				
			2019/20	Likely	Substantial	Medium	Enable the rollout and exploitation of high speed broadband across the County for both businesses and communities.	Head of Enterprise & Community Development ongoing	Promotion of the Access Broadband Cymru scheme for areas outside the superfast Cymru roll out area continues.	2019/20	Possible	Substantial	Medium				
							Trial the roll out of the TV white space broadband pilot which will enable isolated rural communities to enjoy the same digital connectivity as in urban areas and, if successful, will be replicable in other rural areas.	Rural Programmes Manager, Ongoing	We continue to undertake digital connectivity pilots through the Rural Development Programme and Rural Community Development Fund. For example the TV white space project has been approved to investigate and trial a newly available broadband technology known as Television “white space” in digitally deprived areas.								

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigating actions	Timescale and responsibility holder	Mitigation action progress	Risk Level (Post – mitigation)				Risk owner & Cabinet member responsible	Select Committee and strategic objective
			Year	Likelihood	Impact	Risk Level				Year	Likelihood	Impact	Risk Level		
12	Potential Risk that: Political, legislative and financial uncertainty for council services and local businesses as a result of Britain leaving the European Union.	<p>The significant issues raised include:</p> <p>The impact on the economy and public finances which could impact on local government financial settlements and what that might mean for the economic and social well-being of local communities. While restrictions on labour mobility could impact on local firms.</p> <p>Many council services are governed by EU legislation or follow EU led policy, for example procurement rules. There will be uncertainty while the process for extricating the UK from this law is established.</p> <p>Some projects rely directly on EU funding, such as the Rural Development Plan (RDP).</p> <p>Market volatility, inflation and financial uncertainty could impact on council revenue budgets and borrowing costs for capital schemes. Any market volatility could impact on the local government pension schemes.</p> <p>The leave vote created divisions: regionally and between age groups that could raise concern over social inclusion and a rise in hate crime.</p>	2017/18	Almost Certain	substantial	High	Continued liaison and work with partners such as Welsh Government, WLGA and treasury advisers to understand and plan for any implications for the Council.	Senior Leadership Team Ongoing	<p>Many of the negotiations and decisions on Britain leaving the EU are outside of the council's control, given this and the current uncertainty the post mitigation risk levels have not been assessed to change</p> <p>The Council has established working relationships with key partners, such as the Welsh Government, the WLGA and treasury advisers to work with in understanding and planning for any potential risk to Council services.</p>	2017/18	Almost Certain	substantial	High	Senior Leadership Team & Cabinet	Select Committee: Economy and Development & Strong Communities Objectives: All
			2018/19	Almost Certain	substantial	High			2018/19	Almost Certain	substantial	High			
			2019/20	Almost Certain	substantial	High	Continue to refine and update the Medium Term Financial Planning model and assumptions for future service budgets.	Chief Officer Resources, Ongoing	The Council already has an established Medium Term financial plan to model financial assumptions and scenarios for planning future service budgets which will continue to be updated.	2019/20	Almost Certain	substantial	High		

Risks removed from the strategic risk register at December 2017

Risk	Reason why identified	Mitigation undertaken and reason why removed from Strategic Risk assessment
<p>Potential Risk that: Schools do not have the necessary ICT infrastructure meaning they are unable to maximise their offer to learner's needs.</p>	<p>Schools and the EAS depend on reliable equipment and support from the SRS to implement systems for pupil tracking and to meet curriculum needs.</p> <p>Some schools do not have the ICT infrastructure to support these systems fully.</p>	<p>A comprehensive Service Level Agreement with the SRS and schools commenced in April 2016. The council has approved a business case for £885,000 of investment in schools ICT infrastructure.</p> <p>The investment programme in ICT in schools, involved the upgrade and renewal of the ICT infrastructure in schools, providing a common platform and standard in line with WG and 21st century schools aspirations.</p> <p>The investment programme has been completed. Schools are already reporting an overall increase in performance of the infrastructure upgrade and the level of technician support within the SLA. A progress update was reported to Economy and Development Select Committee in July 2017.</p> <p>The project is due for formal closure.</p>
<p>Potential Risk that: The current configuration of the recycling service becomes unviable because of legislation requirements and financial constraints.</p>	<p>Monmouthshire does not currently collect recycling in line with the preferred Welsh Government method.</p> <p>Long term uncertainty over Welsh Government funding and future costs of the service.</p> <p>The Welsh Government grant was cut by 6.4% and is due to be cut by a further 7% in 2017/18.</p>	<p>A pressure mandate was accepted by Council to fund £1.2million pressures in the MTFP over 2016/17 and 2017/18 due to an Increase in recycling costs, the Welsh Government grant reduction and growth in waste tonnages.</p> <p>The recycling review has been completed and Council in March 2017 agreed the future configuration of the recycling service for the next 7 years. The separation of the three recycling streams means the service is more compliant with the WG blueprint and the statutory requirement for the separate collection of paper, glass, plastics and metals. In November 2017 Council approved the final business case for the Waste and Recycling Review and capital budget in 2017/18 for the acquisition of vehicles including the financial model for the service. The business case provides detailed</p>

Risk	Reason why identified	Mitigation undertaken and reason why removed from Strategic Risk assessment
		<p>costs profiling for the coming eight years, including additional Funding Required in 2018/19 above the agreed pressure which reduces in 2019/20.</p> <p>On-going liaison with Welsh Government on the Environmental Grant funding, its importance to the service and positive impact it makes continues.</p>
<p>Potential risk that</p> <p>Some businesses in the County are unable to continue trading as a result of increases in business rates due to draft business rate revaluations.</p>	<p>Over 3,000 businesses in the County have rateable premises.</p> <p>Revised rateable values for business premises came into effect on 1st April 2017 based on the rental value of properties at 1st April 2015.</p> <p>In Monmouthshire 65% of rateable values increased, with some increasing by as much as 300% with a few even higher.</p> <p>Businesses and Monmouth and District Chamber of Trade and Commerce raised concerns that some businesses will be unable to cope with the increase which may result in some of our leading retailers and hospitality businesses in particular being unable to continue trading.</p> <p>This would have a detrimental impact on business, enterprise and job opportunities and potentially impact on the ability to attract new businesses to start or locate in the County.</p>	<p>We worked closely with the VOA, businesses and business groups to raise awareness of rates revaluation and to ensure that businesses checked their new rateable values and approached the VOA if they were concerned about how they had been calculated.</p> <p>We have worked with our Assembly Member, Member of Parliament and the Welsh Government Cabinet Secretary to seek a fair and just settlement for our businesses.</p> <p>We have ensured that businesses are automatically granted rates reliefs where no application is required. We have also contacted relevant businesses to encourage them to apply for certain reliefs in situations where an application is necessary.</p> <p>The post mitigation risk level was not forecast to change as actions that will impact on mitigating the risk are not directly within our control</p> <p>In the first half of 2017/18 we have seen little change in the level of business rates arrears in the county.</p> <p>We continue to work with businesses, Monmouth and District Chamber of Trade and Commerce and other business groups on this issue.</p>

Strategic Risk Management Policy – Summary

This sets out the Council’s policy and approach to strategic risk management. A copy of the full policy and guidance is available to staff and members on The Hub.

Risk Management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them or responding to them. Strategic risks are those which affect the Council as a whole. Typically these will be key risks which could significantly jeopardise the Council’s ability to achieve it’s objectives, statutory plans and/or provide operational services as planned.

The Council is committed to the effective management of risk. As a large public sector organisation, it is exposed to a wide range of risks and threats in delivering key services to communities. Within the Council the purpose of risk management is to:

- preserve and protect the Council’s assets, reputation and staff
- promote corporate governance and aid good management in controlling and managing risks
- support successful delivery of strategic aims, objectives and outcomes
- improve business performance and better anticipate calculated risks where these are likely in delivering improvements
- avoid unnecessary liabilities, costs and failures

The Council seeks to ensure that risk management is effective from strategic to individual services and employees. Therefore all employees and Councillors are responsible for ensuring there are good levels of internal control and risk management throughout the Council in order that the Council’s specified outcomes are achieved.

The Council uses a ‘traffic light’ system of Red/Amber/Green associated with High/Medium/Low to categorise risk levels. This is determined using the risk matrix below

Impact/Severity	major	Low	Medium	High	High
	substantial	Low	Medium	Medium	High
	moderate	Low	Low	Medium	Medium
	minor	Low	Low	Low	Low
		Unlikely	possible	Likely	Almost certain
		Likelihood			

High risk	The risk is highly likely to occur and the impact will be major. Management action/control evaluation and improvement is required coupled with continued pro-active monitoring
Medium risk	The risk is unlikely to result in a major issue, however, if it did the impact would be significant or serious . This risk is relatively less significant than a High risk however it needs to be closely monitored within timely management action/controls to ensure it does not escalate.
Low risk	The risk is very unlikely to occur and the impact will be minor or moderate at worst. Risk will be managed by seeking control improvements where practical and / or monitoring and reviewing at regular intervals

