

<b>SUBJECT:</b>	<b>Strategic Risk Assessment 2015</b>
<b>MEETING:</b>	<b>Joint Adult and Children and Young People Select Committee</b>
<b>DATE:</b>	<b>15<sup>th</sup> December 2015</b>
<b>DIVISIONS/WARDS AFFECTED:</b>	<b>All</b>

**1. PURPOSE:**

- 1.1 To provide members with an overview of the current strategic risks facing the authority as provided in appendix 1.

**2. RECOMMENDATIONS:**

- 2.1 That members consider the strategic risks presented for the next three years, in particular those of relevance to the committee and scrutinise the extent to which:
- all relevant risks facing the authority are appropriately captured,
  - the level of risk applied is appropriate based on the matrix in the council's risk management policy and guidance (appendix 2) and
  - mitigating actions are proportionate and appropriate
- 2.2 That members use the risk assessment on an on-going basis to hold the responsibility holders to account to ensure that risk is being appropriately managed.
- 2.3 Use the risk assessment to inform the future work programme of the committee.

**3. KEY ISSUES:**

- 3.1 The 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 existing risks on the Strategic Risk Assessment have been updated based on evidence available in 2015, as presented at Appendix 1. Changes to the council's risk management policy were approved by Cabinet in March 2015. These are:
- including pre-mitigation and post-mitigation risk scores, this was also a key recommendation from scrutiny of the 2014 risk assessment

- ensuring greater clarity to the phrasing of risk so that each statement includes an event, cause and effect as shown below:

Event	Cause	Effect
Risk of...Failure to...Lack of ...Loss of...Uncertainty of ...Inability to...Delay in...	Because of...Due to...As a result of...	Leads to...and/or... result in...

- 3.3 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 need to be 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 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.
- 3.4 Following presentation to select committees, the risk assessment will be presented to Cabinet for sign off. Prior to this, it will also form part of budget papers for discussion at Council to reflect alignment with strategic risks and proposed budget decisions the Council is taking.
- 3.5 The risk log is a living document and will evolve over the course of the year as new information comes to light. An up-to-date risk log is accessible to members on the Council's intranet - The Hub. This will ensure as well as the ongoing specific scrutiny of the risk assessment annually, that select committees are able 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 to 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.

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Appendix 1

Ref	Risk	Reason why identified	Risk Level (Pre – mitigation)				Mitigation already undertaken	Future Actions and timescales	Risk Level (Post – mitigation)				Service & Risk Owner	Cabinet Member	Select Committee
			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
1 new	The authority is unable to deliver its political priorities in the future because it does not yet have clarity on its future business model or longer term financial plan.	<p>While work is continuing on the need to address the longer term issue of a reducing resource base as part of the MTFP, these are often only looking 2-3 years ahead which will mean the authority does not have a longer term financial plan and its current business model could become unsustainable in the long term.</p> <p>The Council's partnership administration continuance agreement sets clear priorities and performance expectation in line with these resource priorities, this only extends to 2017.</p> <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>Lack of understanding of the future model of the organisation means it is difficult to develop consistent Workforce planning, preparing a workforce plan for the authority is a proposal for improvement from Wales Audit Office Annual Improvement report 2014/15.</p>	2015/16	Unlikely	Major	Low	<p>The Budget setting process has set a number of guiding Principles to help focus the process of developing budget savings.</p> <p>In October 2015 Cabinet agreed a report setting out the budget proposals that have been developed particularly focused on the next year (2016-17) for budget consultation with Members, the public and community groups. Work is continuing on the need to address the longer term issue of a reducing resource base. Further work is continuing on proposals to address the savings in the latter years of the MTFP.</p>	<p>To develop and specify the business model for the authority in the long term.</p> <p>Ensure the Council's key delivery strategies Improvement Plan, MTFP, People Strategy, Asset Management Plan and iCounty Strategy all align to this model.</p> <p>Extend planning timelines for council's key strategic documents to ten years.</p>	2015/16	Unlikely	Major	Low	Paul Matthews	Peter Fox	All
			2016/17	Possible	Major	Medium			2016/17	Unlikely	Major	Low			
			2017/18	Possible	Major	Medium			2017/18	Unlikely	Major	Low			

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			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
2	Some services may become financially unsustainable in the short to medium term as a result of reducing budgets and increasing demand	<p>- From April 2016/2017 we have to make savings of £6.319m. We have looked at making savings amounting to £4.176m. We still have a gap of £1.743m to close and we need to continue to look at ways to do this. These are on top of the £5.8m savings we are working on to achieve the 2015/2016 budget.</p> <p>- This is after several years of reducing budgets (over £22 million in last 5 years) resulting in achieving further savings becoming increasingly more challenging.</p> <p>- At Month 6 of the 2015/16 budget the bottom line situation is a £1,066,000 (0.7%) potential overspend. In October 2015 the MTFP had modelled budgetary pressures up to 2019/20 of £6.5million.</p> <p>- A range of services have identified demand for services is increasing including planning, housing and public protection.</p> <p>- A range of services have identified the risk of not complying with legislative changes for example Welsh Language Standards.</p> <p>- An ageing population and complexity of demand in children's services will place increased pressure on services.</p> <p>- Children's services is forecast to overspend by £1.1M</p>	2015/16	Unlikely	Major	Low	<p>In January 2015 council agreed the Medium Term Financial Plan (MTFP) to set the 2015/16 budget with a 4.95% increase in council tax and a small contribution from reserves of £40,000. This includes £4.8million of specific saving initiatives identified for 2015/16.</p> <p>Work has continued to refine the modelling assumptions and outline the income generation or savings proposals that will need to be considered as part of the MTFP. The effect of the roll forward of the model, revised assumptions and pressures a revised gap of £11 million over the period of the plan 2016/17 – 2019/20 at October 2015</p>	<p>- Continue to develop Budget Mandates to deliver savings for April 2016/17 onwards.</p> <p>- Monitor progress against existing mandates that are part of the MTFP and report progress to Cabinet and Select Committee quarterly.</p> <p>- Develop a recovery Plan for the current year revenue budget 2015/16</p> <p>- Engage with the public, members and community groups on emerging proposals for the 2016/17 MTFP.</p> <p>- Agree proposals to balance the MTFP in 2016/17 to 2018/19 taking into account the need to match the expected performance targets with adequate resources.</p> <p>- Consider how best to use capacity fund and any external funding sources to supplement the change programme required</p> <p>- Ensure that the detailed business cases that will deliver the MTFP are fully costed, stress-tested and managed</p> <p>- Review contractual arrangements to balance stability, value for money &amp; risk</p> <p>- Implement a three year service and financial plan in children's services to ensure the service is able to deliver a balanced budget and continue to develop workforce practice.</p>	2015/16	Unlikely	Major	Low	Joy Robson	Phil Murphy	All
			2016/17	Possible	Major	Medium			2016/17	Unlikely	Major	Low			
			2017/18	Possible	Major	Medium			2017/18	Unlikely	Major	Low			



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5	Potential that the Council does not make sufficient progress in areas of weakness identified by regulators leading to underperformance	<p>- Following a positive performance trajectory over the past three years it will be challenging to deliver further improvements against key performance indicators.</p> <p>- Education services currently remain in special measures, although feedback from the Monmouthshire Recovery board is positive</p> <p>- Latest published WAO Annual Improvement Report highlighted "...that it is uncertain whether Monmouthshire will comply with the requirements of the Local Government Measure during 2015-16" a significant factor in this conclusion is that the Council's education services for children and young people still require special measures.</p>	2015 /16	Possible	Substantial	Medium	<p>Worked With the Ministerial Recovery Board to address recommendations in the last Estyn Report and we have seen marked improvements in performance from Foundation Phase to Key Stage 4.</p> <p>We have strengthened our performance management processes and introduced further self-evaluation arrangements</p>	<p>- Manage our actions in response to Estyn, CSSIW and WAO via existing mechanisms including the Post Inspection Action Plan and directorates' service planning.</p> <p>- Report Proposals for improvement and overview of performance arrangements to audit committee.</p> <p>- Complete a review of our self-evaluation procedure and implement any changes to the process to ensure that performance is evaluated and any problems are identified and acted upon.</p>	2015 /16	Possible	Substantial	Medium	Sarah Mc-Ginness & Will McLean	Peter Fox	CYP
			2016 /17	Possible	Substantial	Medium			2016 /17	Unlikely	Substantial	Low		Geoff Burrows	
			2017 /18	Possible	Substantial	Medium			2017 /18	Unlikely	Substantial	Low		Liz Hackett-Pain	





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7	Failure to meet the needs of individual learners may result in them not achieving their full potential.	<p>- Gap in attainment between ‘all pupil’ and the eligible for Free School Meals cohort has narrowed in some key stages but remains a significant issue</p> <p>- Variation in standards across schools</p> <p>- To date we have not in all cases appropriately supported pupils with additional learning needs</p> <p>- Poor assessments in some schools due to leadership, management, capacity and performance issues</p> <p>- Unsustainable provision to meet the demand for Welsh Medium education provision</p> <p>- Not achieving the number of A* and A grades amongst the cohort of more able and talented pupils</p>	2015/16	Likely	Major	High	<p>We progressed the review of Additional Learning Needs strategy and policy. The first stage of a new policy was adopted by Cabinet in November 2014.</p> <p>Better targeted intervention based on better understanding of individual pupils potential.</p> <p>We continued working with the EAS to ensure:</p> <ul style="list-style-type: none"> <li>That the gap in performance between pupils receiving free school meals and those not receiving free school meals is narrowed</li> <li>Greater scrutiny of the Pupil Deprivation Grant (PDG) expenditure to tackle the impact of poverty on pupil learning and performance</li> </ul>	<p>- Continue to self-assess and deliver effective responses to the Estyn inspection recommendations</p> <p>- Ensure that the Additional Learning Needs review delivers a sustainable, adequate and appropriate support to pupils with Additional Learning Needs</p> <p>- Ensure the commissioned arrangements with the EAS address the authority’s concerns in challenging and supporting schools</p> <p>- Deliver the Welsh Education Strategic Plan in collaboration with neighbouring authorities</p>	2015/16	Likely	Major	High	Sarah Mc-Guinness	Liz Hackett Pain	CYP
			2016/17	Likely	Major	High			2016/17	Possible	Major	Medium			
			2017/18	Possible	Major	Medium			2017/18	Possible	Major	Medium			
8a	Potential that council services, including schools do not have the necessary ICT infrastructure meaning they are unable to maximise their offer to service users or learners needs.	<p>- The SRS review has identified scope for improvement and greater realisation of opportunities for its partner bodies.</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>- The Wales Audit Office Annual Improvement report 2014/15 identified the Council is developing its Information Technology arrangements in order to support its strategic vision but more work needs to be done.</p>	2015/16	Likely	Substantial	Medium	<p>Officers have now completed the SRS review, and it has been scrutinised by MCC’s Economy and Development Select and Audit Committees.</p> <p>Member organisations now agree an annual commissioning document with the SRS, detailing the individual services to be bought in from the SRS.</p> <p>Linked to the Council’s Asset Management plan a whole authority review has been undertaken of network infrastructure and will be updated alongside the acquisition or disposal of buildings</p>	<p>-Work with the SRS Board to implement the findings of the review specifically around: finance and the core service, governance and cultural and identity</p> <p>Following the approval of the SRS strategy in November 2015, develop a strong business plan, aligning with the strategy and MCC’s direction of travel.</p> <p>Work with the SRS to further strengthen business continuity arrangements within the SRS. The review date is January 2016</p> <p>Implement phase 1 of the ICT in schools improvements,</p>	2015/16	Likely	Substantial	Medium	Peter Davies	Phil Murphy  Bob Greenland	Economy and Development
			2016/17	Likely	Substantial	Medium			2016/17	Likely	Substantial	Medium			
			2017/18	Likely	Substantial	Medium			2017/18	Possible	Substantial	Medium			



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							The council has approved a business case for £885,000 of investment in schools ICT infrastructure, bringing it up to a common standard and platform commensurate with the 21st century schools programme and WG aspirations for connectivity.	upgrading equipment and infrastructure as well as implementing SIMS in the classroom. This first phase is due for completion in July 2016. Phase 2 will see the migration of school based server infrastructure up to the SRS over an 18 month period. The revised SLA will become operational in April 2016							
8b	Insufficient ICT infrastructure and skills in the county have the potential to lead to social and economic disadvantages	<p>- Broadband ‘not spots’ remain in the county despite Monmouthshire being part of the roll-out of Superfast Cymru;</p> <p>-It is likely that 4-6% of our most rural areas will not be impacted by this roll out</p> <p>A significant skills issue exists in the County. 19% of households don’t have internet access and 20% (approximately 14,363) adults in Monmouthshire don’t use the internet<sup>1</sup>.</p> <p>Monmouthshire residents have high demand for broadband services, Ofcom figures indicating a 74% adoption rate.</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>	2015/16	Likely	Substantial	Medium	<p>AB Internet have been awarded funding from UK Government to provide wireless broadband coverage to 1600 rural households and premises suffering from a poor broadband connection. The Council is working with AB Internet, the UK and Welsh Government to enable the delivery of the project albeit within a very tight timeframe.</p> <p>A Monmouthshire broadband mapping study identifying future opportunities was completed and presented to Cabinet in March 2015. This secured resources to ensure that the potential of Superfast Cymru and associated programmes identified are maximised for the benefit of Monmouthshire businesses and residents, Including:</p> <ul style="list-style-type: none"> <li>- Continued promotional activity to support the Super-connected Cities voucher Scheme.</li> <li>- Local promotion and maximisation of the WG ICT exploitation programme</li> <li>- Completion of a Digital Monmouthshire section on the</li> </ul>	<p>-Deliver the I County digital road map which has three main areas of focus:</p> <ol style="list-style-type: none"> <li>1) internal systems, processes, data and infrastructure</li> <li>2) community, economic, business and education dimensions</li> <li>3) opportunities for commercialisation</li> </ol> <p>Promote the rollout and exploitation of high speed broadband across the County for both businesses and communities.</p> <p>A funding application to the new RDP for an urban/rural skills programme.</p>	2015/16	Likely	Substantial	Medium	Peter Davies	Phil Murphy  Bob Greenland	Economy and Development

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			Year	Likelihood	Impact	Risk Level			Year	Likelihood	Impact	Risk Level			
							<p>new Monmouthshire Business and Enterprise website.</p> <p>By September 2015 32,900 premises in Monmouthshire have been enabled with high speed fibre broadband.</p>								
9	Reductions in our workforce due to budgetary pressures will impact on our capacity to deliver transformational change and improve performance.	<p>- Our people are central to the success of our council and county. Organisational culture impacts on our ability to address future challenges and make sustained improvements in areas that require it.</p> <p>- Continued economic constraint and local government reform can impact on staff morale and service objectives.</p> <p>-The number of employees has reduced in recent years, the head count at 31<sup>st</sup> March 2015 is 3,849.</p> <p>- Corporate self-evaluation identified we need to do more to support staff</p> <p>- A range of services have identified risks to their capacity for service delivery.</p>	2015/16	Possible	Substantial	Medium	<p>The people and organisational development strategy was further developed following engagement with staff and was subsequently focussed on developing people within and outside the organisation.</p> <p>The Monmouthshire Minds group consisting of 60 members of staff were established to enable us to “test” the meaningfulness of the strategy; helping disseminate and promote involvement and publicise the staff survey.</p> <p>A staff survey has been completed and the findings used to inform the action plan as part of the People and Organisation Development Strategy.</p> <p>Based on feedback received, the staff appraisal process, check in check out, is being reviewed and further developed.</p>	<p>- Continue to engage with staff on the People and Organisational Development Strategy to ensure the strategy continues to focus on addressing identified needs.</p> <p>-Take forward the activities in the programme plan of the strategy which brings together the many facets of people and organisational development we run to provide support and development for people whether they are inside or outside of our organisation.</p> <p>- Implement the updated staff appraisal process, check in check out, across the organisation.</p>	2015/16	Possible	Substantial	Medium	Peter Davies	Phil Murphy	Strong Communities
			2016/17	Possible	Substantial	Medium			2016/17	Possible	Substantial	Medium			
			2017/18	Possible	Substantial	Medium			2017/18	Unlikely	Substantial	Low			
10	Not having appropriate governance mechanisms does not make it easy for communities to work with us when we are co-delivering and co-developing services which will impact on our	<p>Concerns on overlapping and complicated community governance structures have led to some dissatisfaction amongst community stakeholders.</p> <p>There is a recognised disconnect between the process and</p>	2015/16	Possible	Substantial	Medium	<p>A community governance review has been completed. A members seminar was held to discuss the suggestions in the Community Governance Review.</p> <p>A volunteer coordinator was appointed and is leading the</p>	<p>Council to consider and agree the community governance action plan endorsed by Cabinet in October 2015 to clarify structures and align process and delivery frameworks to support community governance. Take the actions from the review to</p>	2015/16	Possible	Substantial	Medium	Kellie Beirne / Will McLean	Phil Hobson	Strong Communities
			2016/17	Possible	Substantial	Medium			2016/17	Possible	Substantial	Medium			
			2017/18	Possible	Substantial	Medium			2017/18	Unlikely	Substantial	Low			

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	shared ability to deliver sustainable and resilient communities.	<p>delivery frameworks set up to support community governance.</p> <p>The Council works collaboratively to deliver a variety of services and is increasingly considering alternative delivery models to sustain services. The council has already agreed an approach to involving volunteers and community organisations.</p>					<p>council's <i>A County That Serves</i> volunteering programme that aims to support and enable volunteers.</p> <p>As part of the budget setting process a budget mandate proposal to develop a 'Local Fund' across the county into which Town and Community Councils can make a contribution to sustaining the services they feel are most important to the wellbeing of their towns has been developed.</p>	<p>each locality for further development and consideration reflecting local needs and priorities.</p> <p>Continue to implement the "A County That Serves volunteering programme"</p> <p>Continue to implement the volunteer tool kit to clarify information, procedures and processes on volunteering</p>							
<b>11 new</b>	The current configuration of the recycling service becomes unviable because of legislation requirements and financial constraints.	<p>Monmouthshire does not currently collect recycling in line with the preferred Welsh Government method.</p> <p>The review of the existing Welsh Government environmental grant worth £1.9m to the service could be cut by 50% in 2016/17.</p> <p>An Increase in recycling costs, the potential Welsh Government grant reduction and growth in waste tonnages means the waste service has an existing £1.4 million total pressure modelled in the Medium Term Financial plan over 2016/17 and 2017/18.</p>	2015/16	Unlikely	Moderate	Low	A review of the Monmouthshire recycling service is currently being finalised. The initial findings of the review presented to cabinet in December 2014 identified that the service was currently compliant with EU regulations but that further work over 2015 will be undertaken to determine the long term recycling strategy and compliance with EU legislation and Welsh Government policy.	<p>To complete the recycling review report to determine the Council's long term recycling strategy and submit for Select Committee Scrutiny in January 2016 and cabinet approval in March 2016.</p> <p>To continue to liaise with Welsh Government on Environmental Grant funding.</p>	2015/16	Unlikely	Moderate	Low	Rachael Jowitt	Bryan Jones	Strong Communities
			2016/17	Likely	Substantial	Medium			2016/17	Likely	Substantial	Medium			
			2017/18	Likely	Substantial	Medium			2017/18	Likely	Substantial	Medium			

**Risk Matrix**

The Council uses a ‘traffic light’ system of Red/Amber/Green associated with High/Medium/Low. A copy of the full policy and guidance is available to staff and members on [The Hub](#).

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			

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<sup>i</sup> Recent figures obtained from the ‘Get Monmouthshire On Line’