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| <b>SUBJECT:</b>                  | <b>Effectiveness of Strategic Risk Management Framework</b> |
| <b>MEETING:</b>                  | <b>Governance and Audit Committee</b>                       |
| <b>DATE:</b>                     | <b>4<sup>th</sup> December 2023</b>                         |
| <b>DIVISIONS/WARDS AFFECTED:</b> | <b>All</b>  |

**1. PURPOSE:**

- 1.1 To provide Governance and Audit Committee with an assessment of the implementation of the council's strategic risk management framework which is an integral part of the authority's corporate governance arrangements.
- 1.2 To provide members with an overview of the current strategic risks facing the authority.

**2. RECOMMENDATIONS:**

- 2.1 That members use the assessment to seek assurance about the effectiveness of the authority's risk management arrangements.
- 2.2 That members note the possible further corporate risk control policies identified in 3.8 that the Committee could review and that a further update will be provided to the committee as part of the strategic risk management policy review in April 2024.

**3. KEY ISSUES:**

- 3.1 Governance and Audit Committee has a specific role in providing independent assurance of the adequacy of the council's risk management framework. The committee also has a role in assessing the authority's corporate governance arrangements, of which risk management is an important part. An integral part of the risk management arrangements is the Whole Authority Strategic Risk Register. 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 council's strategic risk management policy and guidance helps ensure strategic risks are identified and assessed robustly, risk controls are put in place that are appropriate and proportionate, and risks are supported by effective mitigations to ensure, as far as possible, risk reduction/risk management. The report is made up of three parts:
  - Part 1 provides a self-assessment of the effectiveness of the operation of strategic risk management arrangements in line with the council's strategic risk management policy. This also forms part of the assessment of the effectiveness of the 'enabling functions' which includes performance and risk management under the Local Government and Elections (Wales) Act 2022.
  - Part 2 provides an overview of the strategic risk register and key amendments, including the strategic risks, the risk levels pre and post mitigation, the risk owner who has agreed the update, and any key changes, such as adjustments to risk levels or mitigating action updates.

- The appendix provides a summary of the council's strategic risk management policy and process for identifying and managing strategic risks. The full policy and guidance can be viewed on the council's intranet site, also known as The Hub.

## Risk updates overview

3.3 The council continues to operate in a dynamic environment and has controls in place to assess, manage and mitigate, as far as possible, a variety of risks. The strategic risk register will regularly evolve and adapt in line with this. This will include adjusting the focus, detail and risk levels of risks where necessary. Any changes to risk levels/scores since the last report to the committee in March 2023 can be found in the table below:

| Risk  | Current risk score | Previous risk score | Reason  |
|---|--------------------|---------------------|---|
| 1) It will not be possible to deliver all of the commitments in the Community and Corporate Plan leading to slower than desired progress towards our purpose as a result of a tightening financial position   | High (12)          | Medium (8)          | The focus of this risk and risk level has been amended to the increased risk of not being able to deliver all priorities set out in the Community and Corporate Plan as a result of the current financial position.                         |
| 2) Some services will become financially unsustainable in the short to medium term in their current form due to increasing demand and continuing financial pressures  | High (16)          | High (12)           | The risk score has increased due to the current economic climate and financial situation the council faces. The Council has a forecast in year 23/24 overspend and modelled budget gap of £14.4 million in 24/25.                           |
| 8) High absence rates, particularly among those eligible for free school meals, and worsening behaviours in schools as a result of the continuation of trends that first emerged during the pandemic will result in a worsening of educational attainment | High (16)          | Medium (8)          | The risk has been adjusted to reflect the increased risk of delayed impacts of the pandemic on learning through reduced attendance levels and worsening behaviours in schools impacting on educational attainment                           |
| 11a) The council is unable to deliver its commitment to decarbonise its operations in sufficient time to achieve net zero by 2030 because our resources are not commensurate with the scale and complexity of the challenge                               | High (16)          | High (12)           | The post-mitigation risk level has been increased to reflect the increasing likelihood that the Council will struggle to become net-zero by 2030 because its resources are not commensurate with the scale and complexity of the challenge. |
| 12) The rising cost of living tips more families into crisis requiring public service interventions which diverts resources from other policy priorities  | High (12)          | Medium (8)          | The risk has been updated to assess continuing financial pressures that is resulting in an increasing number of families requiring additional public service support  |
| 13) Residents are unable to secure or retain suitable accommodation, leading to rising homelessness and outward migration as a result of failures in the housing market   | Medium (8)         | High (12)           | The risk level has decreased from high to medium post-mitigation to reflect the improvements seen in securing homelessness accommodation as a result of the Rapid Rehousing Transition Plan work.   |

- 3.4 In addition to the changes to risk levels, some more significant recent changes are:
- The addition of risk 1b to capture the risk to timely and appropriate decision making;
  - The addition of risk 14 to identify the risk of a material reduction in public bus services which may occur as a result of diminished funding for bus operators from Welsh Government;
  - The addition of risk 15 to identify the risk of increased legal challenge to council decisions and service delivery;
  - A re-definition of risk 10 related to the Replacement Local Development Plan into four parts (10 a, b, c and d), to ensure the risks of the council not progressing with the Replacement Local Development Plan are clearly captured and mitigating action identified.
- 3.5 This report does not include the full risk register or a full update of progress against mitigating actions. Scrutiny of that aspect of the work rests with Performance and Overview Scrutiny Committee and the full register has been presented to the committee at its November meeting. The full strategic risk register will also be presented to Cabinet for consideration at the December meeting. Members of Governance and Audit Committee have access to the papers of other committees should they wish to familiarise themselves with the wider work. All councillors can also access a live version of the risk register on the authority's intranet site.

### **Risk Management updates**

- 3.6 An internal audit review into the council's governance arrangements and internal controls in place for risk management is currently being undertaken. This will be informed by this self-assessment of arrangements and the outcome of the audit will inform future reports to the committees.
- 3.7 The strategic risk management policy and guidance is currently being reviewed. The areas being reviewed include risk identification arrangements, risk appetite, responsibilities for managing risks and reporting arrangements. This will also be informed by the findings from the internal audit. The proposed amendments to the policy will be provided to Governance & Audit Committee to review in April 2024. Ahead of the review being completed, following feedback from committees, 'numerical' scores have been added to the risk matrix, as shown in the appendix. This aims to demonstrate changes more clearly in risk levels following an assessment of risk likelihood and impact.
- 3.8 The committee's action list includes the action for the 'Deputy Chief Executive to consider which corporate risk control policies (extending beyond IT and data protection) that the Committee should periodically review and recommend for approval across the authority. The strategic risk management policy identifies under the Council's risk management approach other procedures and process through which risks are managed – these include service business plans, Emergency Management Plans, business continuity plans, health and safety procedures, financial regulations and insurance arrangements. Given the committee's responsibilities this identifies risk controls that the committee could consider for review, noting these will each need to be considered individually with regard to the arrangements already in place.
- 3.9 As part of the strategic risk management policy review, the alignment with these arrangements and any further that need to be specified will be reassessed. This will be undertaken in coordination with officer led governance working group. Informed by the review it is proposed to identify any further corporate risk control policies that the committee should review and present these to a future meeting of the committee.
- 3.10 In addition, some of the strategic risks identified in part 1, will have further risk controls in place. In reviewing the risks provided the committee should consider if there is any further assurance of the risk controls in place they require from risk owners. This could then be requested to be

provided to Governance & Audit Committee or coordinated with the remits of scrutiny committees.

### **Chief Officer Commentary**

- 3.11 Following feedback from the chair of the committee it has been agreed that a commentary from the responsible Chief Officer be added to this and future reports. The responsibility sits with the Chief Officer for People, Performance and Partnerships:
- 3.12 “Having overseen the process of updating the risk assessment I’m satisfied that it presents an accurate assessment of the strategic risks facing the authority over the next three years based on knowledge available to responsible officers at the present time. The mitigating actions are being applied are proportionate to the level of risk and appropriate given resources available to the authority.”

### **4. REASONS:**

- 4.1 To provide timely, relevant information on strategic risks as part of the performance management framework for ensuring the authority is well run and able to contribute to achieving the Council’s purpose.

### **5. AUTHORS:**

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Part 1 - Monmouthshire County Council Whole Authority Strategic Risk Assessment Overview – November 2023

| Ref | Potential Risk  | Council objective impacted  | Risk Level (score) – Pre mitigation   | Risk Level (score) – Post mitigation  | Changes to risk level/score   | Risk level/score change   | Planned mitigating actions  | Mitigating action progress  | Risk owned by:  |
|-----|---|---|---|---|---|---|---|---|---|
|     | <i>Risk identified in the strategic risk register</i> | <i>Risk to delivery of Community and Corporate plan objective</i> | <i>Risk assessed by the level of likelihood of occurrence and impact/ consequence prior to any mitigation</i> | <i>Risk assessed by the level of likelihood of occurrence and impact/ consequence informed by the expected impact of mitigation</i> | <i>The rationale for adjusting the risk level since the last risk update report in March 2023</i> | <i>Whether the risk level overall has increased, stayed the same or decreased</i> | <i>Significant planned mitigation actions identified for delivery in the risk register by November 2023</i> | <i>The progress made and impact, where available of the planned mitigation actions by November 2023</i> | <i>The owners of the risk, in line with strategic management policy, who have agreed the risk</i> |

| Ref                       | Potential Risk   | Council objective impacted | Risk Level (score) – Pre mitigation                               | Risk Level (score) – Post mitigation                                 | Changes to risk level/score  | Risk level/score change | Planned mitigating actions  | Mitigating action progress   | Risk owned by:   |
|---------------------------|--|----------------------------|---|--|--|-------------------------|---|--|--|
| <b>Risks to resources</b> |  |                            |   |  |  |                         |   |  |  |
| 1                         | It will not be possible to deliver all of the commitments in the Community and Corporate Plan leading to slower than desired progress towards our purpose as a result of a tightening financial position | All                        | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/26 – High (12) | 2023/24 – Medium (8)<br>2024/25 – Medium (8)<br>2025/26 – Medium (8) | The risk level has increased from medium to high pre-mitigation for 24/25 and 25/26, and from low to medium post-mitigation for 24/25 and 25/26 due to the increased risks to delivering commitments given the council's current financial position. | Increased               | Ensure affordability and deliverability of the commitments set out in the Community and Corporate Plan in the context of the wider economic climate<br><br>Review and update enabling strategies following the adoption of a new Community and Corporate Plan | The Community and Corporate Plan was endorsed by Council in April 2023. Cabinet have set 'A balanced budget reflecting objectives, priorities and commitments set out in the Council's Community and Corporate Plan' as strategic principle for the 24/25 budget.<br><br>The enabling strategies are currently under review, these are behind the original completion date and will be informed by the 24/25 budget process. | Paul Matthews, Chief Executive & Cllr Mary Ann Brocklesby, Leader  |
| 1b (New)                  | A small working political majority makes it harder to ensure timely and appropriate decision making which results in delays and uncertainty in some projects   | All                        | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/26 – High (12) | 2023/24 – Medium (9)<br>2024/25 – Medium (9)<br>2025/26 – Medium (9) | New risk - to ensure that that the risk to the speed at which the council is able to make decisions and implement change as a result of the slim majority is assessed and managed.   | New risk                | Utilise members seminars and scrutiny workshops to engage and involve all councillors in the development of policy<br><br>Maintain a fully populated forward work planner of Cabinet and Council business   | Members seminars are being used to share developments and involve councillors on significant forthcoming decisions. Scrutiny workshops are being held to seek councillors' involvement in the development of proposals.<br><br>An established forward work planner is in place. There is a need to improve the timeliness of completion of the forward plan and align the forward plans of each committee.                   | Paul Matthews, Chief Executive & Cllr Mary Ann Brocklesby, Leader  |
| 2                         | Some services will become financially unsustainable in the short to medium term in their current form due to increasing demand and continuing financial pressures  | All                        | 2023/24 – High (16)<br>2024/25 – High (16)<br>2025/26 – High (16) | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/26 – High (12)    | The risk score has increased to 16 due to forecast in year 23/24 overspend and modelled budget gap of £14.4 million in 24/25.  | Increased               | Ensure that services deliver within budget, deliver savings targets and continue to identify, review and challenge pressures<br><br>Develop a set of budget proposals 2024/25   | A 2023/24 early revenue budget update indicates £4.2m of service pressures. A structured budget recovery plan has been developed and agreed to address the in-year overspend.<br><br>Modelling suggests a budget gap of £14.4 million in 24/25. An approach to develop the 2024/25 budget has been developed and agreed by cabinet.  | Peter Davies, Deputy Chief Executive and Chief Officer Resources & Cllr Rachel Garrick and Cllr Ben Callard, Cabinet Members for Resources |

| Ref | Potential Risk  | Council objective impacted          | Risk Level (score) – Pre mitigation                                  | Risk Level (score) – Post mitigation                                 | Changes to risk level/score  | Risk level/score change | Planned mitigating actions  | Mitigating action progress  | Risk owned by:  |
|-----|---|-------------------------------------|--|--|------------------------------|-------------------------|---|---|---|
|     |   |                                     |  |  |                              |                         | Strengthen medium to long term strategic financial planning as part of the Medium-term financial plan,  | The Medium-Term Financial Strategy (MTFS) will be presented to Council in February. The Medium-Term Financial Plan (MTEP) will follow which will outline a more specific delivery plan.   |   |
| 3   | The authority is unable to maintain key infrastructure and meet other identified pressures due to insufficient capital funding availability   | All                                 | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/26 – High (12)    | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/26 – High (12)    | Risk levels remain unchanged | Unchanged               | Continue to monitor the Capital budget<br><br>Deliver the Asset Management Plan to manage the Council’s land and property portfolio                   | During 2022/23, 102 capital schemes required slippage into 2023/24 totalling 42% of the total budget. This suggests underlying issues such as unrealistic profiling of budgeting and a lack of resourcing to manage the schemes planned.<br><br>A refreshed Asset Management Strategy is currently being developed and is due to be presented to Council in January.  | Peter Davies, Deputy Chief Executive and Chief Officer Resources & Cllr Rachel Garrick and Cllr Ben Callard, Cabinet Members for Resources  |
| 4   | Increases in the number of people exiting the labour market, a UK skills shortage and wage inflation will impact recruitment, retainment and workforce planning and affect the delivery of Council services | All                                 | 2023/24 – High (16)<br>2024/25 – High (16)<br>2025/26 – High (16)    | 2023/24 – Medium (8)<br>2024/25 – Medium (8)<br>2025/26 – Medium (8) | Risk levels remain unchanged | Unchanged               | Recruit and retain staff more effectively<br><br>Embed workforce planning into team management processes  | An e-recruitment and learning management system is being implemented to support the development of recruitment as a genuine talent acquisition process.<br><br>Workforce planning arrangements will be developed as part of the development of the people strategy.   | Matthew Gatehouse, Chief Officer People, Performance and Partnerships, & Cllr Rachel Garrick and Cllr Ben Callard, Cabinet Members for Resources  |
| 5   | Loss or corruption of data due to cyber-attack or data mismanagement, which will compromise the delivery of essential council services  | All                                 | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/26 – High (12)    | 2023/24 – Medium (8)<br>2034/25 – Medium (8)<br>2025/26 – Medium (8) | Risk levels remain unchanged | Unchanged               | Ensure robust arrangements are in place to safeguard the organisation’s data and systems from cyber-attack  | The Council recognises that total elimination of cyber-attack is not possible, but the focus is on ensuring robust arrangements are in place to safeguard data and systems from cyber-attack via: physical barriers to the network, staff awareness, training and culture and structured governance, risk analysis and business continuity planning.  | Sian Hayward, Head of Information, Technology & Security & Cllr Rachel Garrick and Cllr Ben Callard, Cabinet Members for Resources  |
| 6   | Significant harm to a child or adult may occur due to a specific failure of safeguarding arrangements   | A Connected Place Where People Care | 2023/24 – Medium (8)<br>2024/25 – Medium (8)<br>2025/26 – Medium (8) | 2023/24 – Medium (8)<br>2024/25 – Medium (8)<br>2025/26 – Medium (8) | Risk levels remain unchanged | Unchanged               | Continually monitor and evaluate safeguarding processes and practice and ensure good accountability for safeguarding                                  | The Annual 23/24 Safeguarding Evaluation Report has been completed and will be reported to Council in December 2023. The strategic risk will be updated further in line with the findings of this evaluation.   | Will Mclean, Chief Officer Children & Young people, Jane Rodgers, Chief Officer Social Care, Safeguarding & Health & Cllr Ian Chandler, Cabinet Member for Social Care, Safeguarding and Accessible Health Services |
| 7   | Risk of harm if we are unable to meet the care and support needs of some vulnerable children due to an increase in demand, complexity of cases and insufficiency of registered placements                   | A Connected Place Where People Care | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/25 – High (12)    | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/25 – High (12)    | Risk levels remain unchanged | Unchanged               | Continue to implement the fostering strategy<br><br>Develop and expand the Children’s Services Commissioning Strategy in response to the intention to | The remains an insufficiency of in-house carers in Monmouthshire, particularly carers who are able to provide more specialist care or look after sibling groups; One generic foster carers has been approved so far in 23/24. This creates an over-reliance on private and independent providers where the right placement for a child cannot be assured.<br><br>Two children’s homes have been commissioned this year through partnership models, one of which was a specialised provision for children with very complex needs. There are huge challenges with this work particularly around workforce, resources | Jane Rodgers, Chief Officer Social Care, Safeguarding & Health & Cllr Ian Chandler, Cabinet Member for Social Care, Safeguarding and Accessible Health Services   |

| Ref | Potential Risk   | Council objective impacted          | Risk Level (score) – Pre mitigation                               | Risk Level (score) – Post mitigation                              | Changes to risk level/score  | Risk level/score change | Planned mitigating actions  | Mitigating action progress  | Risk owned by:  |
|-----|--|-------------------------------------|---|---|--|-------------------------|---|---|---|
|     |  |                                     |   |   |  |                         | eliminate profit from children’s social care  | and the time it takes to develop provision. The demand for appropriate placements remains high in a low supply environment.   |   |
| 8   | Risk of harm if we are unable to meet the care and support needs of some vulnerable adults due to an increase in demand and complexity of cases  | A Connected Place Where People Care | 2023/24 – High (16)<br>2024/25 – High (16)<br>2025/26 – High (16) | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/25 – High (12) | Risk levels remain unchanged   | Unchanged               | Work with Welsh Government to recruit and retain care staff<br><br>Implement a ‘place-based’ approach to create sustainability in care at home services   | A social care recruitment and retention strategy has been developed, with a particular focus on addressing areas where there is high demand. At March 2023 the number of vacancies across the social care sector was 56; this has decreased to 20 in October 2023.<br><br>A micro-carer pilot was launched in April 2022. A micro carer is a self-employed care worker that provides flexible, personalised support and care to citizens who live in their local area. There are currently 21 people being supported by micro-carers in their local community, delivering 161 hours of care and support in total each week.   | Jane Rodgers, Chief Officer Social Care, Safeguarding & Health & Cllr Ian Chandler, Cabinet Member for Social Care, Safeguarding and Accessible Health Services |
| 9   | High absence rates, particularly among those eligible for free school meals, and worsening behaviours in schools as a result of the continuation of trends that first emerged during the pandemic will result in a worsening of educational attainment | A Learning Place                    | 2023/24 – High (16)<br>2024/25 – High (12)<br>2025/26 – High (12) | 2023/24 – High (16)<br>2024/25 – High (12)<br>2025/26 – High (12) | The risk levels have increased from medium to high for all levels. The risk has been adjusted to reflect the progress made in mitigating the risk of implementing the new national curriculum on learning and the continued risk of delayed impacts of the pandemic on learning through reduced attendance levels and worsening behaviours in schools. | Increased               | Work with Education Welfare Services to ensure that pupils attend school regularly and are able to access excellent teaching and learning<br><br>Support learners’ wellbeing through excellent teaching and learning and through wider school-based activity<br><br>Continue to monitor the implementation of the new school curriculum | Education Welfare Officers are working with vulnerable pupils to bring them back into the educational setting, where possible. There are varying reasons for pupil absence, so a different approach is being adopted for different cohorts, and the Education team are working with multiple agencies to ensure these children and young people return to school.<br><br>A range of approaches to reduce barriers to learning for vulnerable pupils have been developed. The whole school approach to emotional and mental wellbeing is a structured approach for schools. This has a significant effect on children’s attendance and achievement in school. The phased engagement of schools has been positive: 59% of schools are currently working with the team, an increase from 43%.<br><br>The Curriculum for Wales has been adopted in all primary schools and is being rolled out in all our secondary schools. The Education Achievement Service (EAS) provide a comprehensive package of professional learning as part of a Learning Network Schools model to support schools and settings to realise the Curriculum for Wales within their context. | Will Mclean, Chief Officer Children & Young People & Cllr Martyn Groucutt, Cabinet member for Education   |

| Ref | Potential Risk  | Council objective impacted  | Risk Level (score) – Pre mitigation  | Risk Level (score) – Post mitigation  | Changes to risk level/score  | Risk level/score change | Planned mitigating actions  | Mitigating action progress   | Risk owned by:   |
|-----|---|---|--|---|--|-------------------------|---|--|--|
| 10  | <p>a) The council is unable to proceed with the Deposit Replacement Local Development Plan (RLDP) due to a failure to identify and agree suitable Gypsy, Roma and Traveller sites</p> <p>b) The council does not support the Deposit RLDP</p> <p>c) Delays to the adoption of a RLDP inhibits our ability to take forward key policy objectives such as job creation and affordable housing development</p> <p>d) High phosphate levels in the rivers Usk and Wye limit development opportunities within a significant proportion of the county</p> | <p>A Safe Place to Live</p> <p>A Thriving and Ambitious Place</p> | <p>2023/24 – High (12)</p> <p>2024/25 – High (12)</p> <p>2025/26 – High (12)</p> | <p>2023/24 – High (12)</p> <p>2024/25 – High (12)</p> <p>2025/26 – High (12)</p>  | Risk levels remain unchanged. The risk has been amended to include further risks related to being unable to proceed with the Deposit Plan due to a failure to identify and agree suitable Gypsy, Roma and Traveller sites and the council the council not supporting the deposit plan. | Unchanged               | <p>Prepare a replacement Local Development Plan to address the county's issues/challenges, including in relation to the provision of housing (market and affordable) and employment opportunities</p> <p>Work with partner organisations to identify and implement solutions to phosphate pollution in the Rivers Usk and Wye</p> <p>Ensure RLDP growth ambition is met by essential infrastructure</p> | <p>Following public consultation, a small number of changes were proposed to the RLDP Preferred Strategy; this amended strategy was approved by Council in October 2023. Three Gypsy, Roma and Traveller sites have been identified for public consultation; Cabinet's decision on which sites to include in the RLDP will be informed by this consultation.</p> <p>Dŵr Cymru has recently committed to providing phosphate stripping technology at Monmouth and Llanfoist waste water treatments works by April 2025.</p> <p>A Local Transport Plan and an Economy, Employment &amp; Skills strategy will be presented for scrutiny in November 2023 before being presented to Cabinet in February 2024.</p>  | <p>Mark Hand, Head of Placemaking, Regeneration, Highways and Flooding &amp; Cllr Paul Griffiths, Cabinet member for Planning and Economic Development</p> |
| 11  | <p>a) The council is unable to deliver its commitment to decarbonise its operations in sufficient time to achieve net zero by 2030 because our resources are not commensurate with the scale and complexity of the challenge</p> <p>b)The Council is unable to deliver services as a result of the increasing frequency of climate-related emergencies such as floods or extreme heatwaves that increase the demand for emergency responses and can cause damage to infrastructure and the closure of facilities</p>                                | All   | <p>2023/24 – High (16)</p> <p>2024/25 – High (16)</p> <p>2025/26 – High (16)</p> | <p>2023/24 – High (16)</p> <p>2024/25 – High (16)</p> <p>2025/26 – High (16)</p>  | The risk score has increased from 12 to 16 post-mitigation to reflect the increasing likelihood that the Council will struggle to become net-zero by 2030 because its resources are not commensurate with the scale and complexity of the challenge.                                   | Increased               | <p>Deliver the Monmouthshire County Council Climate Emergency Strategy</p> <p>Prepare and adapt for the impact of climate change</p>  | <p>The Climate Emergency Strategy is being reworked into an overarching Climate and Nature Emergency Strategy to align with the new Community and Corporate Plan and is due to be presented to Cabinet in February 2024. This reworked strategy will be underpinned by 4 action plans to better reflect the breadth of work that is taking place: Internal decarbonisation, Biodiversity and Nature Recovery, Rivers and Oceans and Community climate change.</p> <p>The council is working with Welsh Government to better understand their expectations around climate adaptation. The council is also part of broader assessments of climate risk being carried out by the Cardiff Capital Region as part of their Carbon Disclosure Project commitments.</p> | <p>Strategic Leadership Team &amp; Cllr Catrin Maby, Cabinet member for Climate Change and the Environment</p>   |
| 12  | The rising cost of living tips more families into crisis requiring public service interventions which diverts resources from other policy priorities  | All   | <p>2023/24 – High (12)</p> <p>2024/25 – High (12)</p> <p>2025/26 – High (12)</p> | <p>2023/24 – High (12)</p> <p>2024/25 – High (12)</p> <p>2025/26 – Medium (8)</p> | The risk has been updated to assess continuing financial pressures that is resulting in an increasing number of families requiring   | Increased               | To implement the discretionary Cost of Living Support Scheme  | The Council is delivering a range of activities to support residents including the Money Matters campaign which signposts to sources of support and teaming up with Mind Monmouthshire and Citizens Advice Monmouthshire to set up cost of living support drop-in sessions across the county.  | <p>Frances O'Brien, Chief Officer Communities and Place &amp; Cllr Angela Sandles, Cabinet member for Equalities and Engagement</p>                        |



| Ref      | Potential Risk  | Council objective impacted                       | Risk Level (score) – Pre mitigation                                  | Risk Level (score) – Post mitigation                                 | Changes to risk level/score   | Risk level/score change | Planned mitigating actions   | Mitigating action progress   | Risk owned by:  |
|----------|---|--|--|--|---|-------------------------|--|--|---|
|          |   |  |  |  | additional public service support. The risk level has increased from medium to high pre-mitigation for 25/26 and post-mitigation 24/25, and from low to medium post-mitigation 25/26.   |                         | Work in partnership with community fridges to identify individuals and families in need of further support   | Community Fridges are currently operating in Monmouth, Abergavenny, Caldicot, Goytre and Chepstow. Funding has been secured for consultancy support to help the community fridge volunteers and to look at sustainable funding options, common policies, practices and developing new fridges.   |   |
| 13       | Residents are unable to secure or retain suitable accommodation, leading to rising homelessness and outward migration as a result of failures in the housing market | A Safe Place to Live<br><br>A Fair Place to Live | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/26 – High (12)    | 2023/24 – Medium (8)<br>2024/25 – Medium (8)<br>2025/26 – Medium (8) | The risk level has decreased from high to medium post-mitigation to reflect the improvements seen in securing homelessness accommodation as a result of the Rapid Rehousing Transition Plan work.   | Decreased               | Develop suitable accommodation for homeless people, including long-term housing for all those accommodated in temporary housing<br><br>Work with national providers and the Home Office to identify suitable accommodation for those fleeing persecution | A Rapid Rehousing Transition Plan was approved by Cabinet in April 2023. Through Rapid Rehousing the council has facilitated increased resources into homeless prevention, which has contributed to the increase in the percentage of homeless applications who are successfully prevented from becoming homeless. The council has also increased the availability of both temporary and settled homes for homeless households, contributing to decreasing the number of homeless households in bed and breakfast accommodation from 92 at year-end 22/23 to 59 in Q2.<br><br>In September 2023 Council passed a motion committing the authority to formally becoming a county of sanctuary and we are presently working towards awarded criteria. | Frances O’Brien, Chief Officer Communities and Place, Matthew Gatehouse, Chief Officer People, Performance & Partnerships & Cllr Angela Sandles, Cabinet member for Equalities and Engagement |
| 14 (new) | A reduction in public bus services as a result of a reduction in funding makes it harder for people to access key services across the county                        | All  | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/26 – High (12)    | 2023/24 – High (12)<br>2024/25 – High (12)<br>2025/26 – High (12)    | New risk - A new risk of the possible reduction in public bus services has been identified. The scheme currently in place to support bus operators, the Bus Transition Fund, will likely be spent by December and there is uncertainty over future funding. | New risk                | Lobby Welsh Government for the funding shortfall in 23/24<br><br>Reviewing our networks and looking to enhance the demand responsive provision<br><br>Carry out tendering of bus services within the county  | A letter is being drafted outlining the position and concerns in Monmouthshire.<br><br>A Review has commenced. The review is currently analysing patronage figures to assess which services will continue to receive public bus subsidy.<br><br>Services are due to go out for tender in November at the same time as Newport and Torfaen.   | Frances O’Brien, Chief Officer Communities and Place & Cllr Catrin Maby, Cabinet member for Climate Change and the Environment  |
| 15 (new) | An increase in the number of legal challenges to decisions resulting in delays and increased costs  | All  | 2023/24 – Medium (9)<br>2024/25 – Medium (9)<br>2025/26 – Medium (9) | 2023/24 – Medium (6)<br>2024/25 – Medium (6)<br>2025/26 – Medium (6) | New risk - A new risk has been identified on the risk of delays to council decision making and service delivery as a result of legal challenges.  | New risk                | Impact assesses service changes and policy decisions   | An established Integrated Impact Assessment template and guidance is in place and is completed for all decisions that require an assessment. These assessments are challenged by a panel of policy officers prior to decision.   | James Williams, Chief Officer Law and Governance & Cllr Mary Ann Brocklesby, Leader   |



**Part 2- Self-assessment of the effectiveness of the strategic risk management framework**

| <b>Strategic Risk Management</b>   |   |   |  |
|--|---|---|--|
| <p>The strategic risk register captures the high and medium level strategic risks that face the council in line with the council’s risk management policy. This ensures that:</p> <ul style="list-style-type: none"> <li>• Strategic risks are identified and monitored by the authority</li> <li>• Risk controls are appropriate and proportionate</li> <li>• Senior managers and elected members systematically review the strategic risks facing the authority</li> </ul> |   |   |  |
|  | <b>How well are we doing?</b>   | <b>How do we know?</b>  | <b>Action &amp; timescale</b>  |
| <p>Is there a collective view of the council’s strategic risk management arrangements and risk appetite that is communicated and understood?</p>   | <p>The Council has an established strategic risk management policy and guidance that is available on The Hub for members and officers to view. This defines the approach, process and responsibility for managing strategic risk in the council. This also defines risk tolerance and a broad risk appetite for the council.</p> <p>It has been identified that areas of the policy including risk identification arrangements, risk appetite, responsibilities for managing risks and reporting arrangements can be strengthened. This will need to be supported by subsequent communication of the amendments.</p> <p>The content and structure of the strategic risk register is in line with the current policy and guidance. The policy should also be used by service managers when completing service business plans. The latest quality assurance of service business plans demonstrates that the completion of risk registers in the plans needs strengthening and has identified a need for further strategic risk management training in the organisation.</p> | <p>Strategic risk management policy and guidance</p> <p>Strategic risk register</p> <p>Service business plans risk register</p> | <p>Review the strategic risk management policy and guidance – March 2024</p> <p>Complete further strategic risk training and guidance – May 2024</p> |
| <p>Is strategic risk management embedded in the council?</p>   | <p>The strategic risk register is updated regularly and available to all members and officers to view at any time. There are arrangements to formally review the whole strategic risk register six monthly. These are facilitated by the performance and data insight team in coordination with risk owners and include review reports to Strategic Leadership Team and cabinet. The latest strategic risk register is formally reported to Governance &amp; Audit Committee, Performance &amp; Overview scrutiny committee and Cabinet. This facilitates and demonstrates that risk</p>  | <p>Strategic risk management policy and guidance</p> <p>Strategic risk register</p> <p>Service business plans risk register</p> | <p>Review the strategic risk management policy and guidance – March 2024</p> <p>Complete further strategic risk training and guidance – May 2024</p> |

|   |   |   |   |
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|   | <p>management is embedded with these groups and officers who have specific responsibilities.</p> <p>The update of the strategic risk register is informed by a wide range of evidence as set by the policy. There is a need to strengthen the alignment with other risk management procedures and processes as part of the strategic risk management policy review.</p> <p>The starting point for identifying risks are often service business plans, where heads of service and service managers identify the risks their service faces or will face over the next three years in line with the risk management policy. The most recent quality assurance of service business plan (October 2023) identified that the completion of service-based risk registers was often not robust enough or fully completed. This shows strategic risk management isn't consistently embedded at a service level and has identified a need for further strategic risk management training in the organisation.</p> |   |   |
| <p>Is there a shared understanding of the most significant corporate risks?</p> | <p>The strategic risk register identifies high and medium level strategic risks and ensures risk levels are assessed and mitigating actions are identified. The register is updated regularly, which ensures it remains focussed on the most significant strategic risks facing the council. It is available to all members and officers to view at any time and has regular reporting arrangements in place. This ensures there is a shared understanding of strategic risks facing the council.</p> <p>The findings from the most recent quality assurance of service business plans (October 2023) have shown that strategic risk management isn't consistently embedded at a service level, which could impact the effectiveness of service risk identification and management. This may subsequently be having an impact on the effective identification and management of strategic risks, although other arrangements are in place, as set out, will limit this.</p>                             | <p>Strategic risk register</p> <p>Service business plans risk register</p> <p>Strategic risk management reports</p> | <p>Complete further strategic risk training and guidance – May 2024</p> <p>Review of mitigating actions in strategic risk register - March 2024</p> |

|  |   |   |  |
|--|---|---|--|
|  | <p>The latest six-monthly review of the strategic risk register has identified for some risks there is no forecast change in risk level or score post mitigation. A review of mitigation actions will be undertaken with risk owners to seek assurance these remain appropriate to manage the type/nature of the strategic risk identified.</p>   |   |  |
| <p>Is there a robust risk management assurance framework in place?</p> | <p>There are arrangements to formally review the whole strategic risk register six monthly. These are facilitated by the performance and data insight team in liaison with risk owners and include review reports to Strategic Leadership Team and cabinet. The latest strategic risk register is then formally reported to Governance &amp; Audit Committee, Performance &amp; Overview scrutiny committee and Cabinet. This provides assurance on the robustness of risk management framework in place.</p> <p>A review of strategic risk management arrangements is now reported to Governance and Audit Committee six monthly. The content of this report is being developed to support the committee to consider assurance of the risk framework in place. Risk management arrangements also form part of the Council's annual self-assessment report. These arrangements are providing assurance of the framework in place and informed areas for development identified in this report.</p> <p>To further strengthen internal risk assurance, the council's recently formed governance working group will have a key role in reviewing the risk management policy and guidance. Also, the findings from the internal audit of strategic risk management will further inform strengths and area for development is the Council's risk management.</p> | <p>Strategic risk register</p> <p>Service business plans quality assurance</p> <p>Strategic risk management reports</p> | <p>Review the strategic risk management policy and guidance – March 2024</p> |

## Appendix: 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 council’s intranet the Hub (Finance & Performance Management section – risk assessment)

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 its 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.

|                    |  |
|--------------------|--|
| <b>High risk</b>   | The risk is <b>highly likely</b> to occur and the impact will be major. Management action/control evaluation and improvement is required coupled with continued pro-active monitoring  |
| <b>Medium risk</b> | The risk is <b>unlikely</b> to result in a major issue, however, if it did the impact would be <b>significant or serious</b> . 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. |
| <b>Low risk</b>    | The risk is <b>very unlikely</b> to occur and the impact will be <b>minor or moderate</b> at worst. Risk will be managed by seeking control improvements where practical and / or monitoring and reviewing at regular intervals  |

Risks are also given a score. Scores of 1-4 are low risks, scores of 6-9 are medium risks and scores 12-16 are high risk. Providing a score as well as a risk level allows the variations within risk levels to be more clearly stated.

Impact/severity

|                 |              |              |            |                    |
|-----------------|--------------|--------------|------------|--------------------|
| Major (4)       | Low (4)      | Medium (8)   | High (12)  | High (16)          |
| Substantial (3) | Low (3)      | Medium (6)   | Medium (9) | High (12)          |
| Moderate (2)    | Low (2)      | Low (4)      | Medium (6) | Medium (8)         |
| Minor (1)       | Low (1)      | Low (2)      | Low (3)    | Low (4)            |
|                 | Unlikely (1) | Possible (2) | Likely (3) | Almost certain (4) |

Likelihood