

SUBJECT: Whole Authority Strategic Risk Assessment

MEETING: Cabinet

DATE: 1st February 2017

DIVISIONS/WARDS AFFECTED: All

1 PURPOSE

- 1.1 To provide Cabinet with an overview of the current strategic risks facing the authority.
- 1.2 To seek Cabinet approval of the whole authority risk assessment.

2 RECOMMENDATIONS

- 2.1 That Cabinet members approve the risk assessment shown at appendix 1 as a realistic and evidenced appraisal of the strategic risks facing the authority over the next three years.

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 risk assessment has been prepared by drawing on a wide range of evidence including service plans, performance measures, regulatory reports, progress on the previous risk assessment and the views of select committees.
- 3.3 It has also been prepared in line with council's risk management policy, including changes that were approved by Cabinet in March 2015.
- 3.4 The risk assessment 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 which are available for members to view on the council's intranet The Hub. 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.

3.5 Existing risks and risk levels have been reviewed and updated based on the latest information and evidence available, for example the latest financial position of the Council and recent regulatory reports. While three new risks have been identified for inclusion on the risk register these are:

- Potential Risk that: Political, legislative and financial uncertainty for council services and local businesses as a result of Britain leaving the European Union.
- Potential risk of: A data breach arising due to external parties gaining access to the network. This 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.
- Potential risk that: some businesses in the County are unable to continue trading as a result of increases in business rates due to draft business rate revaluations.

3.6 Select Committees and Audit Committee have already considered and helped shape the content of the risk assessment at meetings between December 2016 and January 2017.

3.7 The risk assessment is a living document and will be updated over the course of the year as new information comes to light. An up-to-date risk log will be accessible to members on The Hub. This will ensure, as well as the ongoing specific scrutiny of the risk assessment annually, that cabinet and select committees are able to re-visit the information at any point in the year to inform their work planning as appropriate.

3.8 Once approved, the risk assessment will continue to be subject to continuous review as part of the authority's performance management framework.

4. REASONS

4.1 To ensure that:

strategic risks are identified and assessed robustly by the authority and that risk controls are put in place that are appropriate and proportionate and supported by effective operational activity to ensure risk reduction / risk management.

4.2 An articulate and documented strategic risk management approach is implemented to support the council in:

- protecting the council's assets, resources and staff
- improving business planning and performance and informing calculated risks
- avoiding unnecessary liabilities and costs

- avoiding poor reputation and loss of confidence in the council

5. RESOURCE IMPLICATIONS

- 5.1 Resource implications are associated with some risks and in implementing actions to manage them. There are no additional resource implications as a result of implementing the strategic risk management process.

6. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING)

- 6.1 The purpose of the whole authority strategic risk assessment is to identify and assess risks robustly and ensure risk controls are put in place that are appropriate and proportionate. Any specific mitigating actions that have policy implications would need to be subject to a separate decision and a full impact assessment completed at that time. The report specifically references risks around safeguarding and how they are being mitigated.

7. CONSULTEES:

Senior Leadership Team
Select Committees
Audit Committee

Views have been sought throughout the process and have been used to inform the development of the paper before Cabinet today.

8. BACKGROUND PAPERS:

Monmouthshire's Risk Management Policy and Guidance

9. AUTHOR:

Matthew Gatehouse, Policy and Performance Manager

10. CONTACT DETAILS:

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| 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 | Potential Risk that: 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>Work is continuing on the need to address the longer term issue of a reducing resource base as part of the MTFP, there remains a shortfall. At present the outputs from Future Monmouthshire are contributing to 17-18 while the longer-term benefits cannot yet be costed. This means 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 expectations 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>Continued uncertainty on the future direction of local government make it difficult to plan for the long term.</p> <p>Lack of understanding of the future model of the organisation means it is difficult to develop consistent workforce planning, preparing a workforce</p> | 2016 /17 | Unlikely | Major | Low | <p>Approval has been given for the Future Monmouthshire work which will inform the development of a new business model for the council. The budget setting process for 2017/18 has been informed by this work, the process is developing proposals to balance the budget in 17-18 while in the longer term align resources to the future business model once developed.</p> <p>Future Monmouthshire has set a number of guiding principles that has informed the budget setting process to 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.</p> | <p>To develop and specify the business model for the authority in the long term through the Future Monmouthshire programme.</p> <p>Following the development of the business model ensure the Council’s key delivery strategies Improvement Plan, MTFP, People Strategy, Asset Management Plan and iCounty Strategy all align to this model.</p> | 2016 /17 | Unlikely | Major | Low | Paul Matthews | Peter Fox | All |
| | | | 2017 /18 | Possible | Major | Medium | | | 2017 /18 | Unlikely | Major | Low | | | |
| | | | 2018 /19 | Possible | Major | Medium | | | 2018 /19 | Unlikely | Major | Low | | | |

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| | | plan for the authority is a proposal for improvement from Wales Audit Office Annual Improvement report 2015. | | | | | | | | | | | | | |
| 2 | Potential Risk that: Some services may become financially unsustainable in the short to medium term as a result of reducing budgets and increasing demand | <p>- The effect of the roll forward of the MTFP model, revised assumptions and pressures, a revised gap of £10.5 million over the period of the plan from 2017/18 – 2020/21 at October 2016 (This is a working target until more information becomes available)</p> <p>- This is after a significant period of financial challenges. Over the last four years the council has had to manage a reduction in service budgets of £18.1 million resulting in achieving further savings becoming increasingly more challenging.</p> <p>-The council’s reserves have fallen by £7.5 million over the past 4 years and there is less opportunity to replenish reserve balances as budgets get tighter,</p> <p>- At the same time pressures on the budget have been increasing in terms of demographic growth, demand, contract price inflation and redundancy costs.</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</p> | 2016 /17 | Unlikely | Major | Low | <p>In January 2016 Council approved the budget for 2016/17. This included new mandates developed for 2016/17 and mandates that were already in the MTFP.</p> <p>Overall Net Council Fund at month 6 is reporting a £839,000 deficit, this is an improved position against the month 2 position. The deficit at month 6 is also an improvement on the equivalent position last year. This is significantly affected by council tax receipts and treasury improvements. The net cost of services is reporting a 1.36% (£1,966,000) overspend. Social Care & Health is reporting an overspend at month 6 (£1,070,000 million). In social care & health there are recovery plans in place across adults and children’s services, opportunities to seek other funding and use external funding streams where possible are being explored and existing budgets are being reviewed to see how they can be prioritised.</p> <p>Directorates are continuing to review the levels of over and underspends and reallocate budgets to reduce the extent of compensatory positions needing to be reported from month 6 onwards.</p> | <p>- Ensure that services deliver within the budgets and deliver savings targets - Monitor progress against existing mandates that are part of the MTFP and report progress to Cabinet and Select Committee quarterly.</p> <p>- All services to model savings for 2017-18 based on an updated process aligned to Future Monmouthshire</p> <p>- Ensure that the detailed business cases that will deliver the budget proposals are fully costed, stress-tested and managed</p> <p>- Consider how best to use capacity fund and any external funding sources to supplement the change programme required</p> <p>- Review contractual arrangements to balance stability, value for money & 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> <p>- Continued identification of pressures, including an assessment of any ongoing pressures in the current year’s budget. These will be rigorously reviewed and challenged.</p> <p>- Continue to Implement the income generation strategy. Use the ideas listed in the appendix</p> | 2016 /17 | Unlikely | Major | Low | Joy Robson | Phil Murphy | All |
| | | | 2017 /18 | Possible | Major | Medium | | | 2017 /18 | Unlikely | Major | Low | | | |
| | | | 2018 /19 | Possible | Major | Medium | | | 2018 /19 | Unlikely | Major | Low | | | |

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| | | children's services will place increased pressure on services. - An increasing number of services have stretching income targets as part of their budgets with limited skills and experience of income generation in some areas - Other programmes can impact on planned savings targets for example the loss of income from the swimming pool in Monmouth as a result of school rebuild. | | | | | The budget process for 2017/18 has been revised and reconfigured, a one year approach has been taken within the context of the MTFP, with the expectation that a more medium term approach can be adopted next year once the Future Monmouthshire work is further progressed. An income generation strategy has been agreed by Cabinet Income generation is a key principle of the Future Monmouthshire work programme for services to consider as part of the 2017/18 budget setting process. | to the income generation strategy to explore if there is any scope to increase income for the future years in the MTFP. | | | | | | | | |
| 3a | Potential Risk that: The authority is unable to deliver its new schools capital programme due to capital receipts not generating the required income | - Reduction in capital budget - There are forecast delays in capital receipts to future years. - 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. | 2016/17 | Possible | Major | Medium | The Asset Management Plan was agreed by Cabinet in November 2014 providing a clear strategy and plan for the management of the council's property and land assets. A review of the plan will shortly commence. | -Review the Asset Management plan to ensure it continues to effectively manage property assets that the Council owns or occupies aligned to key corporate priorities and service needs | 2016/17 | Possible | Major | Medium | Joy Robson | Phil Murphy | Economy and Development | |
| 3b | Pressure on capital budget from 21 st Century schools programme will impact on other areas requiring capital investment. | - Ambitious 21 st Century Schools programme, including the need to fund an additional £11.9million (Council report 20 th October 16) and need to provide Welsh medium education - The core programme has been constrained in order to enable | 2017/18 | Possible | Major | Medium | Continued quarterly monitoring of capital budget, financing and receipts. A major capital receipt has been received in 2016/17 and most forecast receipts for the year are likely to be received by the end of the 2016/17. | -Ensure resource is available to maintain sale of assets - Complete and gain approval for the acquisition of investment properties strategy. - Development of the strategic use of Community Infrastructure Levy when available. | 2017/18 | Possible | Major | Medium | | | Strong Communities | |
| | | | 2018/19 | Likely | Major | High | Welsh government have agreed to fund 50% of the additional investment needed for 21 st Century Schools (£5.95 million) | - Further refinement of priority assessments in the property and infrastructure budgets to ensure all pressures have been considered and ranked. | 2018/19 | Possible | Major | Medium | | | | |

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| | | <p>the new schools programme to be funded.</p> <ul style="list-style-type: none"> - A number of significant pressures are documented that are not currently funded. - Highways and property surveys highlight significant capital demand which is presently unfunded. - In the event of emergency pressures resources will have to be diverted due to lack of capacity in the capital budget - Work is continuing on developing the CCR city deal which will require significant capital investment. | | | | | <p>A proposed strategy 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</p> | <ul style="list-style-type: none"> - Develop and review assumptions as part of the next capital MTFP taking into account any slippage and the requirement to increase the capital budget for the Future Schools programme (Council report – 20th October 2016). | | | | | | | |
| 4 | Potential that the Council does not make sufficient progress in areas of weakness identified by regulators leading to underperformance | <ul style="list-style-type: none"> - Following a positive performance trajectory up until 2014-15 we saw performance plateau with declines in some services in 2015-16. - Gap in attainment between ‘all pupils’ and those eligible for Free School Meals has narrowed in key stages 2 & 3 for most indicators but remains a concern in Foundation phase and key stage 4. - The Wales Audit Office Annual Improvement Report (AIR) published in August 2016 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 will comply with the requirements of the measure during 2016-17 provided it continues to maintain the current pace of improvement.” | 2016 /17 | Unlikely | Substantial | Low | <p>Following the Monitoring visit in November 2015, Estyn has judged that Monmouthshire County Council’s education services for children and young people has made strong progress in addressing two of the six recommendations arising from the inspection of November 2012, and satisfactory progress in addressing the other four and concluded that the authority is no longer in need of special measures</p> <p>The Council has created action plans to set out responses to address relevant proposals in the reports that have been published by WAO, as part of the Council’s established proposal monitoring arrangement. The most recent update on progress is being completed for audit committee in December 2016, with many</p> | <ul style="list-style-type: none"> - Manage our actions in response to Estyn, CSSIW and WAO via existing mechanisms. -Ensure a continued focus on the issues referenced in the Estyn monitoring visit letter in January 2016 - Ensure the commissioned arrangements with the EAS address the authority’s concerns in challenging and supporting schools - Report Proposals for improvement and overview of performance arrangements to audit committee. | 2016 /17 | unlikely | Substantial | Low | Will McLean | Peter Fox | CYP |
| | | | 2017 /18 | Possible | Substantial | Medium | | | 2017 /18 | Unlikely | Substantial | Low | | Geoff Burrows | Audit committee |
| | | | 2018 /19 | Possible | Substantial | Medium | | | 2018 /19 | Unlikely | Substantial | Low | | Liz Hackett-Pain | |

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| | | - WAO follow-up inspections on Governance, Performance Management and IT published in 2016 did not produce any statutory recommendations but have produced a number of proposals for improvement. | | | | | proposals requiring further work to address them | | | | | | | | |
| 5a | Potential for significant harm to vulnerable children or adults due to factors outside our control. | - The likelihood of this occurring in a given year is low. However the significant harm that can occur due to factors that are outside our control mean that this will always be a risk. - Volunteering is increasingly part of meeting community needs and it is important to have consistency across the LA in the use of volunteers particularly in respect of HR practices and training. | 2016 /17 | Possible | Major | Medium | We have strengthened our safeguarding arrangements in both Adults and Children's Services. The Head of Children's Services has now been given clear responsibility for safeguarding and this has been incorporated into her title from July 2016. Similarly safeguarding has been added to the role title of the Cabinet member. We have raised awareness of safeguarding across the authority and its partners. We have Implemented a quality assurance framework (SAFE - Self-Assessment Framework for Evaluation) A number of the authority's most senior officers have been placed on the Safeguarding Group. An appraisal of current issues and key challenges within Children's Services has been completed and Children's services improvement programme implemented which addresses these challenges. | - Continually monitor and evaluate process and practice and review accountability for safeguarding - Deliver actions set in service plans for POVA and Safeguarding - Ensure that robust systems are in place within the authority to respond to any concerns arising from allegations or organised abuse - Implement second phase of the SAFE process - Drive the strategic agenda and the associated programme of activities for safeguarding through the Corporate Coordinating Group including undertaking a second review of safeguarding policy and continuing to promote and review safe recruitment practices. - Ensure safeguarding is reflected in all council service improvement plans and in roles / responsibilities as appropriate. - 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 | 2016 /17 | Possible | Major | Medium | Jane Rodgers / Julie Boothroyd | Liz Hackett Pain Geoff Burrows | CYP Adults |
| 5b | Potential for significant harm to vulnerable children or adults due to failure of services and/or partners to act accountably for safeguarding | | | | | | | | | | | | | | |

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| 6 | Potential Risk that: Failure to meet the needs of individual learners may result in them not achieving their full potential. | <p>- Gap in attainment between ‘all pupils’ and those eligible for Free School Meals has narrowed in key stages 2 & 3 for most indicators but remains a concern in Foundation phase and key stage 4.</p> <p>- Variation in standards across schools, with many schools judged by Estyn to be adequate and remaining in amber and red support categories for more than a year.</p> <p>- Poor leadership, management, capacity and performance in some schools</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> <p>Estyn identified:</p> <p>- Evaluation of progress and actions to be taken by the school and EAS are generally not clear enough to record school progress</p> <p>- Notes of monthly meetings do not provide enough detail about the quality of support and challenge in individual schools or identify specific actions for follow up to identify the key areas of strength and priorities for improvement in each school.</p> | 2016 /17 | Possible | Major | Medium | <p>Following the Monitoring visit in November 2015, Estyn has judged that Monmouthshire County Council’s education services for children and young people has made strong progress in addressing two of the six recommendations arising from the inspection of November 2012, and satisfactory progress in addressing the other four and concluded that the authority is no longer in need of special measures</p> <p>A draft Welsh in Education Strategic Plan has been developed for consultation setting out the council’s vision and action plan for developing Welsh in Education within the County.</p> <p>The review of Additional Learning Needs strategy and policy continues.</p> <p>We have defined our working relationship with the EAS to ensure:</p> <ul style="list-style-type: none"> • That the gap in performance between pupils receiving free school meals and those not receiving free school meals is narrowed • Greater scrutiny of the Pupil Deprivation Grant (PDG) expenditure to tackle the impact of poverty on pupil learning and performance • Better targeted intervention in schools based on a better | <p>-Ensure a continued focus on the issues referenced in the Estyn monitoring visit letter in January 2016</p> <p>-Improve the quality of self-evaluation in the CYP directorate.</p> <p>- Focus on the attainment at the expected level plus one in our primary settings</p> <p>- Work closely with our secondary schools to ensure they are prepared for the new examination requirements</p> <p>- Ensure that the Additional Learning Needs review delivers 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> | 2016 /17 | Unlikely | Major | Low | Will Mclean | Liz Hackett Pain | CYP |
| | | | 2017 /18 | Possible | Major | Medium | | | 2017 /18 | Unlikely | Major | Low | | | |
| | | | 2018 /19 | Possible | Major | Medium | | | 2018 /19 | Unlikely | Major | Low | | | |

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| | | | | | | | <p>understanding of individual pupils potential.</p> <ul style="list-style-type: none"> Improving categorisation of schools in line with the national model resulting in more appropriate challenge and support to schools to drive up standards in leadership and performance | | | | | | | | |
| 7a | <p>Revised risk: 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>2016 /17</p> <p>2017 /18</p> <p>2018 /19</p> | <p>Possible</p> <p>Possible</p> <p>Possible</p> | <p>Substantial</p> <p>Substantial</p> <p>Substantial</p> | <p>Medium</p> <p>Medium</p> <p>Medium</p> | <p>A comprehensive Service Level Agreement with the SRS and schools commenced in April 2016.</p> <p>The council has approved a business case for £885,000 of investment in schools ICT infrastructure.</p> <p>The first phase of the investment programme is due for completion by March 2017, behind the original schedule due to further cabinet and council approval required to proceed with the investment as not all schools had signed up to the SLA.</p> <p>Phase 2 of the investment programme, migration of schools data and information storage, has already commenced with several schools already migrated to the SRS. Schools with the oldest servers have been prioritised.</p> | <p>Finish the implementation phase 1 of the ICT in schools improvements, upgrading equipment and infrastructure as well as implementing SIMS in the classroom.</p> <p>Complete Phase 2 of the investment - the migration of school based server infrastructure up to the SRS over an 18 month period.</p> | <p>2016 /17</p> <p>2017 /18</p> <p>2018 /19</p> | <p>Possible</p> <p>Possible</p> <p>Unlikely</p> | <p>Substantial</p> <p>Substantial</p> <p>Substantial</p> | <p>Medium</p> <p>Medium</p> <p>Low</p> | <p>Peter Davies</p> | <p>Bob Greenland</p> <p>Liz Hackett</p> <p>Pain</p> | <p>Economy and Development</p> |

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| 7b | Potential Risk that: Insufficient ICT infrastructure and skills in the county have the potential to lead to social and economic disadvantages | -It is likely that 4-6% of our most rural areas will not be impacted by the roll out of Superfast broadband 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. ⁱ Monmouthshire residents have high demand for broadband services, Ofcom figures indicating a 74% adoption rate. 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. | 2016 /17 | Likely | Substantial | Medium | A collaboration with the UK Government and AB Internet to enable next generation superfast wireless broadband services to the remaining 4-6% of the County's broadband' not spots' has been undertaken but legacy issues still remain. The project was originally targeted at 1696 properties but three sites had to be de-scoped due to project time constraints reducing the total intervention figure to 1060 premises. Following approval of the broadband in Monmouthshire report: - promotional activity to support the Super-connected Cities voucher Scheme has been undertaken, this closed in October 2015 - Local promotion and maximisation of the WG ICT exploitation programme - Promotion of the Access Broadband Cymru scheme for areas outside the superfast Cymru roll out. A Digital Monmouthshire web portal has been developed which is hosted as part of the www.monmouthshire.biz offer. At least 36,400 premises are now able to access Superfast Broadband connections and there is an increased uptake with Monmouthshire's figures now standing at 19.8%. | -Deliver the I County digital road map which has three main areas of focus: 1) internal systems, processes, data and infrastructure 2) community, economic, business and education dimensions 3) opportunities for commercialisation Continue to collaborate with the Superfast Business Wales team to support their ICT Exploitation programme. Enable the rollout and exploitation of high speed broadband across the County for both businesses and communities. Trail 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. Approval of an application for an RDP ICT county wide skills programme. | 2016 /17 | Likely | Substantial | Medium | Cath Fallon | Bob Greenland | Economy and Development |

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| | | | Year | Likelihood | Impact | Risk Level | | | Year | Likelihood | Impact | Risk Level | | | |
| 8 | Potential Risk that: 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.</p> <p>- Sickness increased to an average of 11.6 days per FTE employee in the year to March 2016. 21% of sickness was due to psychological reasons</p> <p>- WAO Annual improvement report in 2015 proposed improvements to the people and organisational strategy in order to make best use of its people resources. A follow up report on HR arrangements is due to be published in winter 2016.</p> <p>- A range of services have identified risks to their capacity for service delivery.</p> | 2016/17 | Possible | Substantial | Medium | <p>A people and organisational strategy progress report summarising the outcomes achieved in 2015/16 has been completed, progress includes;</p> <p>- providing flexible training opportunities that are aligned to training needs identified across the organisation;</p> <p>- Responding with action and outcomes to feedback from the staff conference and staff survey;</p> <p>- Developing ways of communicating with our workforce and understanding their concerns and issues (e.g. MonMinds staff peer group), as well as providing leadership insights and talks;</p> <p>- Revising the staff appraisal process, check in check out, and rolling out.</p> <p>- Evidence has been collated and reviewed and a revised offer has been created to meet the needs of those people both on and off our payroll, a delivery plan for the final year of the people and organisational strategy (2016-17) has been established</p> <p>- The draft reviewed attendance and wellbeing policy will be presented to People board commencing the consultation with managers and staff.</p> | <p>- To implement the people and organisational strategy (2016-17) delivery plan including the next steps in delivering a coherent and cohesive People Services offer to the organisation</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>- Complete the review of processes around the management of attendance, ensuring we are delivering cost effective solutions to attendance problems</p> <p>- Continue to implement and develop process to provide managers and management teams with information on the workforce.</p> | 2016/17 | Possible | Substantial | Medium | Tracey Harry | Phil Murphy | Strong Communities |
| | | | 2017/18 | Possible | Substantial | Medium | | | 2017/18 | Possible | Substantial | Medium | | | |
| | | | 2018/19 | Possible | Substantial | Medium | | | 2018/19 | Unlikely | Substantial | Low | | | |
| 9a | Potential Risk that: Not having appropriate governance mechanisms does not make it easy for communities to work with us when we are co-delivering and co- | <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> | 2016/17 | Possible | Substantial | Medium | <p>A community governance review has been completed. A cross party Member working group was established and met to discuss the proposal. The proposals have been presented to all area committees and the strategic</p> | <p>Present the Community Governance proposals to full Council for decision (scheduled December 2016)</p> <p>Subject to decision, implement the agreed community</p> | 2016/17 | Possible | Substantial | Medium | Will McLean | Phil Hobson | Strong Communities |
| | | | 2017/18 | Possible | Substantial | Medium | | | 2017/18 | Possible | Substantial | Medium | | | |
| | | | 2018/19 | Possible | Substantial | Medium | | | 2018/19 | Unlikely | Substantial | Low | | | |

| 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 | | | |
| | developing services which will impact on our shared ability to deliver sustainable and resilient communities. | delivery frameworks set up to support community governance. | | | | | transport group. The review is due to go to Council in December. Five new cluster town and community councils have been set up and allocated an SLT lead. The governance review will need to consider this. A volunteer coordinator was appointed and is leading the council's <i>A County That Serves</i> volunteering programme that aims to support and enable volunteers. | governance proposal from April 2017. Continue to implement the " <i>A County That Serves</i> volunteering programme" Continue to implement the volunteer tool kit to clarify information, procedures and processes on volunteering . | | | | | | | |
| 9b | Potential Risk that: Not having appropriate governance mechanisms when establishing new collaborative or alternative delivery models that are often complex could impact on our shared ability to deliver objectives. | The Council works collaboratively to deliver a variety of services and is increasingly considering alternative delivery models to sustain services for example for Leisure, Tourism, Culture and Youth Services. These models are often complex and have many risks and challenges. A 2016 Governance study by Wales Audit Office concluded that 'the Council has made progress in improving its governance arrangements although more work is needed to strengthen the transparency of decision making and recording' A 2016 IT study by Wales Audit Office made a proposal for improvement that the council needs to 'Negotiate and agree commercial grade Service Level Agreements with SRS in advance | 2016 /17 2017 /18 2018 /19 | Possible Possible Possible | Substantial Substantial Substantial | Medium Medium Medium | An independent option appraisal for Leisure, Tourism, Culture and Youth Services has been completed, cabinet approved the next stage of the project to develop a full Business Case and to continue the staff, community and service user consultation process. WAO Proposals for improvement on the Council's existing governance arrangements continue to be addressed. An action plan has been established to address the Wales Audit Office proposals from the IT study. | Complete and present the full business case on Leisure, Tourism, Culture and Youth Services for further consideration by Members. Continue to implement actions to address the proposals for improvement identified by Wales Audit Office Complete the development of a commercial grade Service Level Agreement with SRS, which will need agreement with all partners. | 2016 /17 2017 /18 2018 /19 | Possible Possible Unlikely | Substantial Substantial Substantial | Medium Medium Low | Will McLean / Peter Davies | Peter Fox Bob Greenland | Audit committee |

| 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 | | | |
| | | of new organisations joining the partnership to support sound governance, and to enable the Council to measure service delivery, and assure itself that its IT needs continue to be met.' | | | | | | | | | | | | | |
| 10 | Potential Risk that: The current configuration of the recycling service becomes unviable because of legislation requirements and financial constraints. | Monmouthshire does not currently collect recycling in line with the preferred Welsh Government method. Long term uncertainty over Welsh Government funding and future costs of the service. The Welsh Government grant was cut by 6.4% and is due to be cut by a further 7% in 2017/18. | 2016/17 | Unlikely | Moderate | Low | 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. The recycling review is currently undertaking a trial and will report by March 2017 with a view to setting a long term financial model for the service as well as demonstrating legislative compliance. On-going liaison with Welsh Government on the Environmental Grant funding, its importance to the service and positive impact it makes on the long term strategy. | To complete the recycling review report to determine the Council's long term recycling strategy with cabinet approval in March 2017. To continue to liaise with Welsh Government on Environmental Grant funding. | 2016/17 | Unlikely | Moderate | Low | Rachel Jowitt | Bryan Jones | Strong Communities |
| 11 | Potential Risk that: Political, legislative and financial uncertainty for council services and local businesses as a result of Britain leaving the European Union. | The vote to leave the EU has caused political uncertainty that could impact on local government financial settlements if further austerity is required. This could also impact on regional projects such as the City Deal further compounded by political changes in Westminster. Many council services are governed by EU legislation or | 2016/17 | Almost Certain | substantial | High | The Council already has an established Medium Term financial plan to model financial assumptions and scenarios for planning future service budgets. The Council has established working relationships with key partners, such as the Welsh Government, the WLGA and treasury advisers to work with in understanding the impact on Council services. | 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. Actions we will be taking include: Continued liaison and work with partners such as Welsh Government, WLGA and | 2016/17 | Almost Certain | substantial | High | Senior Leadership team | All | Economy and Development Strong Communities |
| | | | 2017/18 | Almost Certain | substantial | High | | | 2017/18 | Almost Certain | substantial | High | | | |
| | | | 2018/19 | Almost Certain | substantial | High | | | 2018/19 | Almost Certain | substantial | High | | | |

| 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 | | | |
| | | <p>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>Expectations of further austerity and a subsequent fall off in inward investment and growth while restrictions on labour mobility could impact on local firms;</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 resulting from triggering Article 50 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> | | Certain | | | | <p>treasury advisers to understand and plan for any implications.</p> <p>Continue to refine and update the Medium Term Financial Planning model and assumptions for future service budgets.</p> | | Certain | | | | | |
| 12 new | <p>Potential risk of:</p> <p>A data breach arising due to external parties gaining access to the network. This could result in critical and sensitive data being lost, compromising the delivery or availability of</p> | <p>There have been a number of high profile cyber-attacks leading to data breaches both in the public and private sector.</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</p> | <p>2016/17</p> <p>2017/18</p> <p>2018/19</p> | <p>Possible</p> <p>Possible</p> <p>Possible</p> | <p>Major</p> <p>Major</p> <p>Major</p> | <p>Medium</p> <p>Medium</p> <p>Medium</p> | <p>The creation of a cyber security service shared between Gwent Police, TCBC and MCC providing training and advice on practical service issues as well as informing the SRS of potential security risks that need a solution.</p> <p>The creation of a central information security risk log for</p> | <p>Undertake a structured and comprehensive training programme for all staff. The training plan will be put together by March 2017. This training will be mandatory and rolled out across the authority during 2017 with annual refresher training. The training</p> | <p>2016/17</p> <p>2017/18</p> <p>2018/19</p> | <p>Possible</p> <p>Unlikely</p> <p>Unlikely</p> | <p>Major</p> <p>Major</p> <p>Major</p> | <p>Medium</p> <p>Low</p> <p>Low</p> | <p>Sian Hayward</p> | <p>Phil Murphy</p> | <p>Economy and Development</p> |

| 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 | | | |
| | Council services and the interaction with external agencies and partners. | <p>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>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> | | | | | <p>all partners using the SRS which is used to identify risk areas and the appropriate mitigations. This is monitored on an operational level by the Digital Projects Team and overall by the council's SIRO.</p> <p>A significant and comprehensive security review has been undertaken in 2016 in order to gain PSN accreditation. Overall security arrangements have been enhanced as a direct result of this.</p> | <p>will be also be given on induction.</p> <p>The SRS are looking at a business case for its partners to procure a robust and comprehensive system that minimises the risk of unauthorised access to MCC's network</p> <p>Continuous monitoring of cyber threat and mitigation by the cyber security team, identifying solutions to potential risk areas.</p> <p>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 plans.</p> | | | | | | | |
| 13 new | <p>Potential risk that 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>3,167 businesses in the County have rateable premises.</p> <p>Draft business rates revaluations have been undertaken by the Valuation Office Agency based on the rental value of properties at 1st April 2015.</p> <p>In Monmouthshire 65% of rateable values have increased, some increased by as much as 300% with a few even higher.</p> <p>Businesses and Monmouth and District Chamber of Trade and Commerce have raised concerns that some businesses will be unable to cope with the increase and may see some of</p> | 2016/17 | Unlikely | Minor | Low | <p>Councillor Bob Greenland, Council officers and a local chamber of commerce representative met with senior officials of the (Valuation Office Agency) VOA to discuss the matter.</p> <p>Council on 1st December agreed a motion urging Welsh Government to postpone these draft proposals to allow time for a thorough review of the methodology and results of this revaluation. Alternatively calling upon the Welsh Government to postpone any increases until the results of the appeals are known and finally, look for sympathetic transitional arrangements for all businesses.</p> | <p>Continue to work with our Assembly Member and Member of Parliament to get a fair and just settlement for our businesses.</p> <p>Continue to work with Monmouth and District Chamber of Trade and Commerce and other business groups and liaise with the VOA.</p> <p>The post mitigation risk level has not been forecast to change at the moment as actions that will impact on mitigating the risk are not directly within our control</p> | 2016/17 | Unlikely | Minor | Low | Cath Fallon | Bob Greenland | Economy & development |
| | | | 2017/18 | Likely | Substantial | Medium | | | 2017/18 | Likely | Substantial | Medium | | | |
| | | | 2018/19 | Likely | Substantial | Medium | | | 2018/19 | Likely | Substantial | Medium | | | |

| 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 | | | |
| | | <p>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> | | | | | The Welsh Government has announced a transitional scheme for small businesses and in December 2016 announced an additional £10 million will be made available to help businesses cope with changes in business rates. | | | | | | | | |

Risk Matrix

The Council uses a ‘traffic light’ system of Red/Amber/Green associated with High/Medium/Low. Generally it is clear what the assessment should be. However, there will be cases where assessment of “How much risk” is not straightforward (such as when the effect of controls and counter measures is uncertain.)

| | | | | | |
|-----------------|-------------|------------|----------|--------|----------------|
| 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 | | | |

ⁱ Recent figures obtained from the ‘Get Monmouthshire On Line’