

# Report

## Cabinet

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### Part 1

Date: 18 September 2024

### **Subject** Quarter 1 2024/25 Corporate Risk Register Update

**Purpose** To present the Council's Corporate Risk Register for the end of quarter 1 (1<sup>st</sup> April 2024 to 30<sup>th</sup> June 2024).

**Author** Head of People, Policy and Transformation

**Ward** All

**Summary** The Council's Corporate Risk Register monitors those risks that may prevent the Council from achieving its strategic priorities or delivering services to its communities and service users in Newport.

At the end of quarter 1, there were 15 risks recorded in the Corporate Risk Register that are considered to have a significant impact on the achievement of the Council's objectives and legal obligations.

Overall, there were 8 Severe risks (risk scores 15 to 25); 7 Major risks (risk scores 7 to 14); that are outlined in the report. In comparison to the quarter 4 (23/24) Corporate Risk Register, there was no change to the risk scores for 13 of the 15 risks. There were two risks (Pressure on Housing & Homelessness services and Stability of Adult Social Services providers) which had changed risk scores in quarter 1.

As set out in the Council's Risk Management Policy, Cabinet reviews the Corporate Risk Register on a quarterly basis ensuring procedures are in place to monitor the management of significant risks.

**Proposal** Cabinet is asked to consider the contents of the quarter 1 update of the Corporate Risk Register.

**Action by** Executive Board and Heads of Service

**Timetable** Immediate

This report was prepared after consultation with:

- Executive Board
- Corporate Management Team

**Signed**

## Background

The Well-being of Future Generations (Wales) Act 2015 requires Newport City Council to set Well-being Objectives in its Corporate Plan. As a public body, the council is also responsible for delivering services (statutory and non-statutory) to residents, businesses, and visitors across Newport. We will inherently encounter opportunities and risks that may prevent, disrupt, impact or enhance the delivery of services and achieve the objectives in the Corporate Plan. How the council responds and manages these opportunities and risks is important to ensure resources are being used efficiently and effectively to maximise value for money and to minimise and/or prevent the risk impacting services, communities, and citizens in Newport.

The [Risk Management Policy](#) outlines how the council manages risk and sets the risk appetite towards the opportunities and risks in the course of its duties. Officers regularly manage risk in the course of their duties whether this is health and safety risks, civil contingencies, safeguarding risks to children, young people, adults and carers or risks to assets, buildings, and council employees. The relevant service area(s) and professional disciplines will be assessing and managing these risks as required and reporting these through their own reporting mechanisms.

This report reflects the most significant risks recorded in the Corporate Risk Register at the end of quarter 1, reflecting the risk scores assessed in the last period noting any movement with risks, and the action(s) which service areas are taking to manage the risks reported.

### Newport City Council – Quarter 1 2024/25 Service Area Risk Summary (Appendix 2)

At the end of quarter 1, there were 44 risks recorded (including corporate risks) across the 11 service areas. The table below provides a summary of the changes reported during the period.

Total Risks at Q1 (24/25)	Risk Scores Increased since Q4 (23/24)	Risk Scores Decreased since Q4 (23/24)	No Change since Q4 (23/24)	New Risks in Q1	Closed Risks in Q1	Escalated Risks <sup>1</sup>	De-escalated Risks <sup>2</sup>
44	1	1	42	3	4	0	0

### Quarter 1 Corporate Risk Register Update (Appendix 1 and 3)

At the end of quarter 1, the Corporate Risk Register included 15 risks that are considered to pose the most risk to the delivery of services and achievement of its strategic priorities. The 15 corporate risks consisted of:

- 8 Severe risks (15 to 25)
- 7 Major Risks (7 to 14)

In comparison to the quarter 4 (23/24) Corporate Risk Register, there was no change to the risk scores for 13 of the 15 risks. There were two risks, where there were changes to the risk score:

Risk / Risk Owner	Quarter 4 (23/24) Risk Score	Quarter 1 (24/25) Risk Score	Commentary
<b>Stability of Adult Social Services Providers</b>  Social Services / Adult Services  Cabinet Member for Social Services	16	12	Following fee setting process, the Authority continues to have a constructive relationship with most providers. Commissioners monitor the market closely and highlight if there are concerns about the viability of any provider.
<b>Pressure on Housing &amp; Homelessness services</b>	20	25	The risk score has increased to 25 at the end of quarter one. The trend for homelessness approach

Risk / Risk Owner	Quarter 4 (23/24) Risk Score	Quarter 1 (24/25) Risk Score	Commentary
Environment & Sustainability / Housing & Communities  Cabinet Member for Housing & Planning			has continued to increase from 2023/24 into 2024/25 with 2023/24 the highest on record. These pressures are being exacerbated by external factors such as the early prisoner release schemes and move on from asylum accommodation as the Home Office is seeks to reduce its backlog of outstanding assessments.

**Appendix 1** - Quarter 1 Corporate Risk Heat Map and Risk Profile

**Appendix 2** – Quarter 1 Newport City Council’s Service Area Risk Summary.

**Appendix 3** – Newport City Council’s Quarter 1 Corporate Risk Register (Attached separately).

**Glossary** – Risk Management terminology and Risk Score Assessment

## Risks

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
The Council does not achieve its objectives as corporate level risks are not adequately managed and monitored.	M	L	Risk Management Strategy has been adopted and mechanisms are in place to identify, manage and escalate emerging and new risks / mitigation strategies.  Audit Committee oversight of risk management process.	Directors, Heads of Service and Performance Team

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

Corporate Plan 2022-27

Service Plans 2024/25

## Options Available and considered.

1. To consider the contents of the Corporate Risk Register and to continue monitoring progress of actions taken to address the risks identified in the report.
2. To request further information or reject the contents of the risk register

## Preferred Option and Why

To consider the contents of the Corporate Risk Register and monitor the progress of actions taken to address the risks identified in the report. This will give the Cabinet sufficient assurance and oversight of the main overarching risks that the council faces in delivering the objectives of the Corporate Plan.

## Comments of Chief Financial Officer

There are no direct financial implications arising from this report itself. The corporate risk register forms an important part of the governance and budget setting arrangements for the Council and the risk register is used to guide the internal audit plan.

There are a number of risks with either a direct or indirect financial impact. For example, the risk around increasing demand for homelessness provision has a significant direct budget impact.

### **Comments of Monitoring Officer**

There are no specific legal issues arising from the report. As part of the Council's Risk Management Strategy, the corporate risk register identifies those high-level risks that could impact upon the Council's ability to deliver its corporate plan objectives and essential public services. Governance and Audit Committee are responsible for reviewing and assessing the Council's risk management, internal control and corporate governance arrangements. However, the identification of corporate risks within the risk register and monitoring the effectiveness of the mitigation measures are matters for Cabinet. There are some changes to the scoring of some of the risks in the register as set out above.

### **Comments of Head of People, Policy and Transformation**

Effective monitoring and reporting of the Council's Corporate Risk Register is essential in minimising and preventing the likelihood and impact of risks against our objectives. The Council's risk management is a key area in the implementation of the Well-being of Future Generations Act (Wales) 2015. Following the completion of 2023/24 service plans, service areas have taken the opportunity to review and update their service plans 2024/25. This includes the review of their risks to ensure that their objectives and actions support necessary mitigation activity, identification of any new / emerging risks and also to assess their existing risks.

### **Local issues**

Not applicable

### **Governance and Audit Committee (G&AC)**

The quarter 1 risk report will be presented to the Council's Governance & Audit Committee (26<sup>th</sup> September). Any observations, comments or recommendations will be reported back to Cabinet in the Council's quarter 2 risk update.

### **Fairness and Equality Impact Assessment:**

For this report, a full Fairness and Equality Impact Assessment has not been undertaken. This is because this report is not seeking any strategic decisions or policy changes, with its purpose being to update Cabinet on the current risk register.

### **Wellbeing of Future Generation (Wales) Act**

Under the Well-being of Future Generations Act (Wales) 2015 and its 5 ways of working principles this report supports:

**Long Term** – Having effective risk management arrangements will ensure that the opportunities and risks that will emerge consider the long-term impact on service users and communities.

**Preventative** – Identifying opportunities and risks will ensure the Council is able to implement necessary mitigations to prevent or minimise their impact on Council services and service users.

**Collaborative** – The management of risk is undertaken throughout the Council and officers collaborate within service areas, Corporate Management Team and the Council's Cabinet to ensure decisions are made in a timely manner and are evidence based.

**Involvement** – The Council's Risk Management process involves officers across the Council's service areas and Cabinet Members.

**Integration** – Risk Management is being integrated throughout the Council and supports the integrated Planning, Performance and Risk Management Framework. The Framework ensures that planning activities consider the opportunities and risks to their implementation and overall supports the delivery of the Council's Corporate Plan and legislative duties.

## **Consultation**

As above, the Risk Register is also considered by Audit Committee.

## **Background Papers**

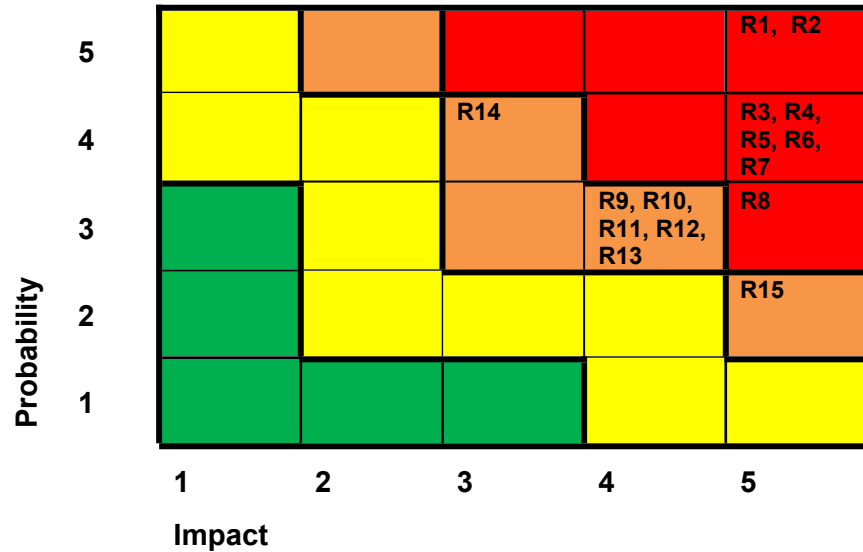
[Quarter 4 Corporate Risk update to Cabinet](#)

[Governance and Audit Committee meeting May 2024](#)

[Risk Management Policy](#)

Dated: 30<sup>th</sup> August 2024

**Appendix 1 – Quarter 1 2024/25 Risk Heat Map**



<b>Corporate Risk Heat Map Key (Quarter 1 2024/25)</b>	
R1 - Pressure on Housing and Homelessness Service	R9 - Stability of Adult Social Services Providers
R2 - Pressure on the delivery of Children Services	R10 - Schools Finance / Cost Pressures
R3 - WCCIS Replacement	R11 - Information and Cyber Security
R4 - Pressure on Adult & Community Services	R12 - Demand for ALN and SEN support
R5 - Balancing the Council's Medium-Term budget	R13 - Educational Out of County Placements
R6 - Highways Network / Infrastructure	R14 - Welsh Government's Net Carbon Zero Target by 2030
R7 - Newport Council's Property Estate	R15 - City Centre Security and Safety
R8 - Eliminate Profit from Social Care	

## Risk Score Profile between Quarter 2 2023/24 and Quarter 1 2024/25

Risk Reference	Risk	Lead Cabinet Member(s)	Lead Directorate / Service Area	Risk Score Q2 2023/24	Risk Score Q3 2023/24	Risk Score Q4 2023/24	(Current) Risk Score Q1 2024/25	Target Risk Score
R1	Pressure on Housing and Homelessness Service	Cabinet Member for Housing and Planning	Environment & Sustainability / Housing & Communities	20	20	20	25	12
R2	Pressure on the delivery of Children Services	Cabinet Member for Social Services	Social Services / Children Services	25	25	25	25	12
R3	WCCIS Replacement (New)	Cabinet Member for Social Services	Social Service Directorate	-	-	20	20	4
R4	Pressure on Adult & Community Services	Cabinet Member for Social Services	Social Services / Adult Services	20	20	20	20	12
R5	Balancing the Council's Medium-Term budget	Leader of Newport City Council / Cabinet	Transformation & Corporate / Finance	20	20	20	20	10
R6	Highways Network / Infrastructure	Cabinet Member for Assets & Infrastructure	Environment & Sustainability / Infrastructure	20	20	20	20	15
R7	Newport Council's Property Estate	Cabinet Member for Assets & Infrastructure	Transformation & Corporate / People, Policy & Transformation	20	20	20	20	12
R8	Eliminate Profit from Social Care	Cabinet Member for Social Services	Social Services / Children Services	15	15	15	15	4
R9	Stability of Adult Social Services Providers	Cabinet Member for Social Services	Social Services / Adult Services	16	16	16	12	12
R10	Schools Finance / Cost Pressures	Deputy Leader & Cabinet Member for Education & Early Years	Transformation & Corporate / Education Services	12	12	12	12	12
R11	Information and Cyber Security	Leader of Newport City Council	Transformation & Corporate / People, Policy & Transformation	12	12	12	12	8
R12	Demand for ALN and SEN support	Deputy Leader & Cabinet Member for Education & Early Years	Transformation & Corporate / Education Services	12	12	12	12	6

Risk Reference	Risk	Lead Cabinet Member(s)	Lead Directorate / Service Area	Risk Score Q2 2023/24	Risk Score Q3 2023/24	Risk Score Q4 2023/24	(Current) Risk Score Q1 2024/25	Target Risk Score
R13	<b>Educational Out of County Placements</b>	Deputy Leader & Cabinet Member for Education & Early Years	Transformation & Corporate / Education Services	12	12	12	12	4
R14	<b>Welsh Government's Net Carbon Zero Target by 2030</b>	Cabinet Member for Climate Change	Environment & Sustainability / Environment & Public Protection	12	12	12	12	2
R15	<b>City Centre Security and Safety</b>	Cabinet Member for Assets & Infrastructure	Environment & Sustainability / Infrastructure	10	10	10	10	9



## Appendix 2 – Quarter 1 24/25 NCC Service Area Risk Summary

Directorate	Service Area	Total Q1 Risks	Risk Scores Increased since Q4	Risk Scores Decreased since Q4	No Change since Q4	New Risks in Q1	Closed Risks in Q1	Escalated Risks* <sub>1</sub>	De-escalated Risks* <sub>2</sub>
<b>Environment &amp; Sustainability</b>	Environment & Public Protection	4	0	0	4	0	0	0	0
	Housing & Communities	4	1	0	3	1	0	0	0
	Infrastructure	5	0	0	5	0	0	0	0
	Regeneration & Economic Development	5	0	0	5	1	0	0	0
<b>Social Services</b>	Adult Services	5	0	1	4	1	1	0	0
	Children Services	3	0	0	3	0	0	0	0
	Prevention & Inclusion	1	0	0	1	0	0	0	0
<b>Transformation &amp; Corporate</b>	Education	5	0	0	5	0	0	0	0
	Finance	6	0	0	6	0	1	0	0
	Law & Standards	1	0	0	1	0	1	0	0
	People, Policy & Transformation	5	0	0	5	0	1	0	0
<b>Total</b>		<b>44</b>	<b>1</b>	<b>1</b>	<b>42</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>0</b>

\*1 – Escalated Risks – Risks that have been escalated from Service area risk registers to Corporate Risk Register

\*2 – De-escalated Risks – Risks that have been de-escalated from Corporate Risk Register to service area risk register

## **Glossary**

This document provides an explanation of terminology used in this report and supporting documents.

**Risk Appetite** – the amount of risk that Newport City Council is willing to seek or accept in the pursuit of the Council's long-term objectives.

**Inherent Risk Score** – The level of risk in the absence of any existing controls and management action taken to alter the risk's impact or probability of occurring.

**Residual Risk Score** – The level of risk where risk responses i.e. existing controls or risk mitigation actions have been taken to manage the risk's impact and probability.

**Target Risk Score** – The level of risk (risk score) that Newport City Council is willing to accept / tolerate in managing the risk. This is set in line with the Council's overall risk appetite.

**Risk Mitigation Action** – Actions identified by the Risk Owner to respond to the risk and reduce the impact and probability of the risk of occurring.

### **How the Council Assesses Risk**

An assessment of the likelihood and impact of risk is important to measure, compare and monitor risks to ensure efficient use of resources and effective decision making. This assessment is carried out using the risk matrix as described below.

### **Risk Assessment Matrix**

A Corporate Risk Register will contain the high-level risks for the whole authority. In order to differentiate between these high level risks a 5x5 risk assessment matrix will be applied. The matrix is shown below, and further detail is included in appendix 3.

Risks are scored using the scoring system for probability and impact and assigned a rating based on the tolerances set out in the matrix below

Risk Score	Risk Impact Areas (See Risk Appetite Statement)									
	Strategy / Policy	Governance / Legal / Regulatory	Business Continuity / Operational	Reputational	Finance inc Commercial / assets	Technology & Information Security	People / Health & Safety	Safeguarding	Climate Change & Environmental Impacts	Programme & Project Delivery
<b>5 Severe</b>	Failure of a key strategic objective e.g. Corporate Plan, Climate Change Plan or compliance with Council Policy etc Council Constitution.	Legislative / Regulatory breach resulting in multiple litigation / legal action taken against the Council.  (Linked to Financial / Reputational Impacts).  Immediate action(s) required to mitigate / prevent risk impact.	Severe and serious organisational / service failure that has direct impact on stakeholder's including vulnerable groups.  Service disruption over 5+ days.	Severe and persistent  National media coverage.  Adverse Central Government response, involving (threat of) removal of delegated powers.  Officer(s) and / or Members forced to resign.  Systematic failure to deliver services.  (Linked to other Risk Impact areas).	Ineffective governance, and internal control arrangements resulting in severe financial loss, misappropriation and/or fraud.  Unplanned and/or additional expenditure disturbance. Capital > £1M  Revenue >£1M	Severe data breach and/or loss of major system(s) preventing organisational delivery.  Immediate action(s) required to mitigate / prevent risk impact.  (See also BC / operational risk)	Multiple severe and irreversible injuries or deaths of staff, students or members of the public.  Immediate action(s) required to mitigate / prevent impact.	Severe, multiple / systematic failure of safeguarding arrangements resulting in injuries and/or deaths.  Immediate action(s) required to prevent and/or mitigate risk impact.	Severe impact on CO2 emissions impacting on the Council's net zero carbon targets.  Severe impact on Newport environment / biodiversity.  Immediate action(s) required.	Project status is over 12 months from anticipated implementation date.  Project(s) do not deliver the major benefits / savings identified in business case.  (Linked to Financial / Strategic / Reputational Impacts)
<b>4 Major</b>	Major impact and/or constraint on achieving key strategic objectives e.g. Corporate Plan, Climate Change Plan or compliance with Council Policy etc Council Constitution.	Serious legislative breach resulting in intervention, sanctions and legal action.  (Linked to Financial / Reputational Impacts)	Loss of an important service(s) for a short period that could impact on stakeholders.  Service disruption between 3-5 days.	Adverse publicity in professional / municipal press, affecting perception / standing in professional / local government community  Adverse local and social media publicity of a significant and persistent nature.  (Linked to other Risk Impact areas).	Ineffective governance, and internal control arrangements resulting in major financial loss, misappropriation and/or fraud.  Unplanned and/or additional expenditure disturbance.  Capital > £0.5M - £1.0M  Revenue >£0.5M-£1M	Major data breach and/or loss of major system(s) preventing organisational / service delivery.  Action(s) required to mitigate / prevent impact.	Major irreversible injury or death of staff, students or members of the public.  Action(s) required to mitigate / prevent impact	Major safeguarding incidents resulting in significant injury / harm to individual(s).  Action(s) required to mitigate / prevent impact.	Major impact on CO2 emissions impacting the Council's net zero carbon targets  Major impact on Newport environment / biodiversity of an area in the community.  Action(s) required to mitigate / prevent impact.	Project status is 6 to 12 months over from anticipated implementation date.  Project(s) do not deliver major benefits / savings identified in business case.  (Linked to Financial / Strategic / Reputational Impacts)
<b>3 Moderate</b>	Noticeable constraint on achievement of a key strategic objective / Service Plan objective e.g. Corporate Plan, Climate Change Plan or compliance with Council Policy	Significant legislative breach resulting in investigation.  (Linked to Financial / Reputational Impacts)	Loss and/or intermittent disruption of a service between 2-3 days.	Adverse local publicity / local public opinion including social media.  Statutory prosecution of a non-serious nature.	Ineffective governance, and internal control arrangements resulting in moderate financial loss, misappropriation and/or fraud.	Moderate Data breach and/or intermittent of service / specific system.  Action(s) required to mitigate / prevent impact.	Injury to staff, students or members of the public. Not life threatening.  Action(s) required to mitigate / prevent impact	Safeguarding arrangements require improvement to prevent / mitigate individual harm /injury.	Moderate impact on the Council's CO2 emissions. Further action(s) required to mitigate / reduce impact.  Moderate impact on Local community	Project status is 1 to 6 months over from anticipated implementation date.  There is significant reduction on delivery of benefits / savings identified in business case.

Risk Score	Risk Impact Areas (See Risk Appetite Statement)									
	Strategy / Policy	Governance / Legal / Regulatory	Business Continuity / Operational	Reputational	Finance inc Commercial / assets	Technology & Information Security	People / Health & Safety	Safeguarding	Climate Change & Environmental Impacts	Programme & Project Delivery
	etc Council Constitution.			(Linked to other Risk Impact areas).	Unplanned and/or additional expenditure disturbance.  Capital = £0.25M - £0.5M  Revenue = £0.25M to £0.5M				environment and biodiversity.  Action(s) required to manage risk.	(Linked to Financial / Strategic / Reputational Impacts)
<b>2 Low</b>	Constraint on achievement of Service Plan objective that does not impact on Corporate Strategy	Moderate impact leading to warning and recommendations.	Brief disruption of service that has a minor impact on the delivery of a service.  Service disruption 1 day.	Contained within Directorate Complaint from individual / small group, of arguable merit.  (Linked to other Risk Impact areas).	Ineffective governance, and internal control arrangements resulting in low financial loss, misappropriation and/or fraud.  Unplanned and/or additional expenditure disturbance.  Capital = £0.1M - £0.25M  Revenue = £0.1M – £0.25M	Technology improvements required to meet necessary standards / low level data breach  Minor improvements and lessons learned.	Some minor reversible injuries.  Minor improvements and lessons learned action required.	Minor safeguarding improvements required to prevent / mitigate harm or injury to individual(s)	Minor impact on the Council's CO2 emissions. Actions required to improve emission impact.  Minor impact on Local community environment and biodiversity.  Action(s) required to manage risk.	Project status is 1 to 4 weeks over from anticipated implementation date.  There is minor reduction on delivery of benefits / savings identified in business case.  (Linked to Financial / Strategic / Reputational Impacts)
<b>1 Very Low</b>	Constraint on achievement of Service / Team Plan objective	No reprimand, sanction or legal action.	Minor disruption of a non-critical service.	Isolated complaint(s) that are managed through the corporate complaints process and service area.  (Linked to other Risk Impact areas).	Ineffective governance, and internal control arrangements resulting in very low financial loss, misappropriation and/or fraud.  Unplanned and/or additional expenditure disturbance.  Capital < £100k  Revenue <£100k	Non-critical technology disruption / improvements required.  Arrangements are effective in managing and learning lessons.	Some superficial injuries.  Arrangements are effective in managing risk.	Isolated safeguarding incidents requiring action through business as usual activity.	Minimal or low impact on CO2 emissions.  Minimal or very low impact on environment and/or biodiversity.  No further action required.	Project status is 1 week over from anticipated implementation date.  There is insignificant / no impact on delivery of benefits / savings identified in business case.  (Linked to Financial / Strategic / Reputational Impacts)

## Risk Probability Scoring

Probability Score (1-5)	%	Criteria
5	<b>Almost Certain</b> (75%+)	<ul style="list-style-type: none"> <li>Evidence indicating that the risk has already occurred or there is <b>almost certainty</b> of the risk taking place.</li> <li>The current governance, internal control / processes are not effective enough to manage the risk and requires further risk mitigation action(s) to manage and/or reduce the risk.</li> </ul>
4	<b>Likely</b> (51-75%)	<ul style="list-style-type: none"> <li>Evidence is indicating that the risk is <b>likely</b> to occur considering the current governance, internal control and other arrangements in place.</li> <li>Further risk mitigation action(s) are required to improve current arrangements and to reduce the probability of the risk occurring.</li> </ul>
3	<b>Possible</b> (26-50%)	<ul style="list-style-type: none"> <li>Evidence is indicating that it is <b>possible</b> risk will occur based upon the existing governance, internal control and other arrangements in place.</li> <li>Further risk mitigation action(s) are required to improve current arrangements and to reduce the probability of the risk occurring.</li> </ul>
2	<b>Unlikely</b> (6-25%)	<ul style="list-style-type: none"> <li>Evidence is indicating that it is <b>unlikely</b> the risk will occur based upon the existing governance, internal control and other arrangements in place.</li> <li>Minor improvements are required to improve current arrangements.</li> </ul>
1	<b>Rare</b> (0-5%)	<ul style="list-style-type: none"> <li>Evidence is indicating the risk will rarely occur based upon current governance, internal control and other arrangements in place.</li> <li>Ongoing monitoring and assurance of arrangements managed through routine operations.</li> </ul>