

# Report

## Cabinet

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### Part 1

Date: 24 April 2017

**Subject** Corporate Risk Register Quarterly Update

**Purpose** To present the quarterly update of Corporate Risk Register

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**Ward** All

**Summary** This report contains the latest update of the Corporate Risk Register.

- There are eight risks identified in the register, 7 are medium risks and one is high.
- Since the last update the risk score for risk 2 'Increasing Aging Populations' has increased from 12 to 16 which means it is now a high risk
- Actions for each risk have been updated below.
- Risk 5 Safeguarding is expected to be closed in the risk register review that will take place in the next quarter.

**Proposal** Cabinet is asked to note the contents of the Corporate Risk Register and request an annual review of the contents of risk register at the July 2017 meeting

**Action by** Chief Executive, Strategic Directors and Heads of Service

**Timetable** Immediate

This report was prepared after consultation with:

- Cabinet
- Deputy Leader
- Audit Committee
- Corporate Management Team
- Head of Law and Standards
- Head of People and Transformation
- Head of Finance

**Signed**

## Background

### 1. Corporate Assessment

As part of its governance arrangements the Council has a risk management strategy and a corporate risk register is monitored quarterly. Through the Corporate Assessment Review 2014 the WAO noted that *“The Council has improved its approach to and presentation of its corporate risk register. The risk register now includes a before and after mitigation risk score at an assessed date and a breakdown of the probability and impact of that risk. The register includes current actions to address each risk and assigns responsibility to senior officers, cabinet member and scrutiny committee”*.

### 2. Risk Management Strategy

The Risk Management Strategy was agreed by Cabinet in September 2014. It was updated to reflect a revised approach to risk management and improved processes for identifying and escalating risk. Potential benefits of an improved risk management approach are improved decision making, avoidance of shocks and the ability to mitigate threats and take advantage of opportunities.

The strategy includes six key areas where risks are identified and managed:

- Decision Making Process
- Revenue and Capital Monitoring
- Change and Efficiency Programme
- Service and Improvement Planning
- Horizon Scanning Activities
- Information Risk Management

### 3. Role of Audit Committee

Since the introduction of the Local Government Measure 2011 the local authority's Audit Committee have a role in reviewing and assessing the risk management, internal control and corporate governance arrangements of the authority. Processes and Strategies about risk management should be reviewed by the Committee however the content of the risk register including setting and changing risks included in the register is *not* the role of the Audit Committee.

### 4. Risks updated in this report

A full review of the Corporate Risk Register will be undertaken in conjunction with the service planning process and a revised risk register will be presented to Cabinet in July 2017

An annual review will be carried out in line with service planning to ensure a joined up approach to risk management, this will be concluded and presented to the July 2017 Cabinet meeting.

### 5. New Risks

The following risk was added in the 2016 revision of the Corporate Risk Register

- RISK 8: Brexit

### 6. Closed Risks

The table below details the following closed risks from the Corporate Risk Register

Date	Risk	Closure Details
September 2014 - April 2015	<i>Risk Title: Delivering a Balanced Budget Risk Description: That the savings required to deliver a balanced budget in the following year cannot be achieved</i>	In November 2014 this risk was scored as probability 1 and impact 1. This was because a balanced budget was drafted and being progressed through the council's decision making hierarchy. A balanced budget was approved by Cabinet and Council in February 2015 and this risk is now considered to be closed.
September 2014 - June 2015	<i>Risk Title: Total Reward Risk Description: That the complex and contentious tensions inherent to the Single Status pay and grading review delays the</i>	The Total Reward project has now been implemented and any remaining issues and risks can now be managed at a service area level

	<i>project implementation.</i>	
September 2014 - June 2015	<i>Risk Title: Information Governance Risk Description: That the council does not have adequate arrangements in place to protect the data in holds and that this results in significant fines and reputational damage</i>	This risk can now be managed at a service area level.
September 2015 – June 2016	<i>Risk Title: Legislative Requirements (Social Services) That new legislative requirements of the Social Services act potentially place significant duties on the Authority that it cannot fulfil</i>	Specific details and guidance for the Act now produced. Work across region to develop solutions to the challenges and locally we have a project team working on implementation of all regulations Big emphasis on prevention and early intervention – reshaping front door services in Adult Social Care – close working with Health Board – redistributed teams to be coterminous with Health Board Neighbourhood Care Networks

## Financial Summary

- There are no direct costs associated with this report

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
That the strategy and process are not robust enough to capture all high risks	M	L	Reviewing, testing and embedding processes to ensure that they are fit for purpose	Heads of Service and Performance Team

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

Robust risk management practices increase the chances that all of the council's priorities and plans will be implemented successfully

## Options Available and considered

- To note the contents of the Corporate Risk Register and request a further update at the March 2016 meeting
- Not to note the contents of the Corporate Risk Register and not request a further update at the March 2016 meeting

## Preferred Option and Why

- To note the contents of the Corporate Risk Register and request a further update at the March 2016 meeting

## Comments of Chief Financial Officer

There are no direct financial implications arising from this report. 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

## Comments of Monitoring Officer

The Council's corporate governance arrangements are an integral part of the risk management strategy, in ensuring that all decisions are made lawfully and constitutionally and that all risks are identified, assessed and mitigated. The absence of successful call-in and legal challenges demonstrates that these arrangements are robust. However, as part of the review of the Constitution, improvements in the Report templates will be considered to further embed risk management principles within the decision-making processes. The Local Government (Wales) Measure 2011 required the Council to establish a stand-alone Audit Committee with statutory responsibility for reviewing and assessing the risk management, internal control and corporate governance arrangements of the authority. However, the identification of corporate risks, for inclusion within the risk register, is an executive decision for Cabinet.

## Comments of Head of People and Business Change

There are no direct staffing implications arising from this report.

Risk management is a key element of the council's improvement programme and the Administration's commitment to ensuring strong corporate governance and robust performance management. The risk strategy and register allow the council to consider the longer term overarching risks to the council fulfilling its objectives and obligations and take action to mitigate the impact and probability of those risks.

## Comments of Cabinet Member

The Chair of Cabinet has been consulted and has agreed that this report goes forward to Cabinet for consideration.

## Local issues

None

## Scrutiny Committees

The Risk register is also considered by Audit Committee. Meetings with the committee have resulted in some changes in format and layout of the register.

## Equalities Impact Assessment

Not applicable.

## Children and Families (Wales) Measure

Not applicable.

## Wellbeing of Future Generations (Wales) Act 2015

The guidance on the Act is clear – it requires public bodies to maximise their contribution to improving the wellbeing of Wales. The Act provides a framework for better decision making by ensuring public bodies take account of the **long term**, focus on **prevention**, take an **integrated** and **collaborative** approach, and **involve** people in policy making and planning and delivery of services.

The Act places a duty on the public sector to:

- Adopt the Sustainable Development Principle
- Work towards 7 national wellbeing goals
- Focus work on future generations
- Take a central role in the establishment and scrutiny of a Public Services Board (PSB)
- Take a central role in the development of a Wellbeing Plan based on a long term needs assessment

- Respond to a new accountability framework including reporting and review by the Auditor General Wales

The Act has implications for how the local authority will work in future and Part 2 of the Act places an individual wellbeing duty on public bodies. Key areas where change needs to happen include:

- Corporate Planning
- Risk Management
- Workforce Planning
- Performance Management
- Financial Planning
- Procurement
- Assets

The Wellbeing of Future Generations Act 2015 which came into force in April 2016 sets the context for the move towards long term planning of services. A programme of training for senior management and elected members is underway so that the wide-ranging and transformational implications of the Act are understood and can be embedded in the Council's ways of working.

Key documents and processes have been revised so that they incorporate sustainable development and wellbeing principles. Over the last three years extensive public engagement has been undertaken in relation to setting service delivery priorities and identifying which services matter most to people, and contribute to their wellbeing. This will continue to inform future planning.

#### **Crime and Disorder Act 1998**

Not applicable.

#### **Consultation**

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

#### **Background Papers**

Corporate Risk Register, Cabinet, 18<sup>th</sup> December 2015  
 Corporate Risk Register, Audit Committee, 28<sup>th</sup> January 2016  
 Corporate Risk Register, Cabinet, 14<sup>th</sup> March 2016  
 Corporate Risk Register, Audit Committee, 24<sup>th</sup> March 2016  
 Corporate Risk Register, Cabinet, 6<sup>th</sup> June 2016  
 Corporate Risk Register, Audit Committee, 23<sup>rd</sup> June 2016  
 Corporate Risk Register, Cabinet, 12<sup>th</sup> September 2016  
 Corporate Risk Register, Audit Committee, 22<sup>nd</sup> September 2016  
 Corporate Risk Register, Cabinet, 21<sup>st</sup> December 2016  
 Corporate Risk Register, Audit Committee, 26<sup>th</sup> January 2017

Dated: 3 April 2017

## Risk Management Roles and Responsibilities

The roles and responsibilities of individuals and groups are set out below:

<b>Role</b>	<b>Responsibility</b>
Cabinet and Cabinet Members	To work with Strategic Directors and Heads of Service to define, assess and manage corporate risks. To work with Heads of Service to manage risks within their service delivery portfolios To consider corporate risks as part of the decision making process
Members	To be aware of the corporate risks and to consider risk management in scrutiny meetings and regulatory committees
Audit Committee	To take an overview of the processes involved in managing risk in the council To receive regular reports on the corporate risk register and risk management processes
Strategic Leadership Team	To work with Cabinet Members and Heads of Service to define, assess and manage corporate risks To monitor risks in the risk register To recommend additions and revisions to the risk register To initiate mitigating action for escalating risks To ensure risks are assessed accurately
Heads of Service	To work with Cabinet Members and Strategic Directors to define, assess and manage corporate risks To work with the Cabinet Member to manage risks To implement mitigating action for escalating risks To recommend mitigating action for corporate risks to the appropriate decision making body To ensure risks are assessed accurately
Senior Information Risk Owner (SIRO)	To lead and foster a culture that values, protects and uses information for the success of the organisation and benefit of its customers To own the organisation's overall information risk policy and risk assessment processes and ensure they are implemented consistently by Information Asset Owners (IAO's) To advise the Chief Executive or relevant accounting officer on the information risk aspects of the Council's annual governance statement To own the organisation's information incident management framework
Report Authors / Project Managers / Officers	To be aware of corporate risks and the service area risks that impact on their areas of work To consider the risk register when preparing project documentation and recommending action through decision making processes To recommend mitigating action for escalating risks To implement mitigating action for risks arising through the course of normal service delivery To ensure risks are assessed accurately

## Assessing 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 one.

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 Scoring

Probability description	Score
Very Low probability	1
Low probability	2
Medium probability	3
High probability	4
Very high probability	5
Impact description	Score
Negligible	1
Low	2
Medium	3
High	4
Very High	5

### Risk Matrix

Probability	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		Impact				

## Impact Matrix

RATING	SEVERITY OF IMPACT	GENERAL DESCRIPTION	IMPACT FACTORS						
			Strategic	Operational	Financial Management	Resources	Governance	Health & Safety	Reputation
1	Negligible	Low impact. Localised effect		Minor disturbance of non-key area of operations	Unplanned budgetary disturbance <£100k	Loss of asset/money with value >£2k		Reportable (non-serious) accident affecting one employee/member of public/service user	Isolated complaint(s)
2	Low	Low impact for organisation as a whole. Medium localised impact		Minor disruption of a key area of operations or more significant disruption to a non-key area of operations	Unplanned budgetary disturbance £100-£500k	Loss of asset/money with value £2-10k	Mild WAO criticism in report. Mild criticism from a legal/regulatory authority. Isolated fraud	Reportable (non-serious) accident affecting small number of employees/members of public/service users	Formal complaints from a section of stakeholders or an institution
3	Medium	Medium impact for organisation as a whole	Noticeable constraint on achievement of a key strategic objective	Major disruption of a service area for a short period or more minor disruption of a service area for a prolonged period	Unplanned budgetary disturbance £500k-£2M	Loss of asset/money with value £10-50k	Adverse WAO report. Significant criticism from a legal/regulatory authority requiring a change of policy/procedures. Small-scale fraud relating to a number of people or more significant fraud relating to one person	Reportable (non-serious) accident(s) affecting a significant number of employees/members of public/service users or a serious injury to a single employee/member of public/service user	Formal complaints from a wide range of stakeholders (e.g. several institutions), adverse local press, complaint/s upheld by Ombudsman
4	High	High impact for organisation as a whole	Severe constraint on achievement of a key strategic objective	Major disruption of a service area for a prolonged period or major disruption of several service areas for a shorter period	Unplanned budgetary disturbance £2-5M	Loss of asset/money with value £50-100k	Qualified account. Severe criticism from WAO/legal/regulatory authority requiring major overhaul of policy/procedures, Significant fraud relating to several employees	Serious injury of several employees/members of public/service users	Significant loss of confidence amongst a key stakeholder group. Adverse national press
5	Very High	Catastrophic	Failure of a key strategic objective	Major disruption of several key areas of operations for a prolonged period	Unplanned budgetary disturbance >£5M	Loss of asset/money with value >£100k	Severe service failure resulting in WAG intervention/special measures Widespread significant fraud	Death of employee(s)	Severe loss of confidence amongst several key stakeholder groups. Damning national press



## Probability

<b>Score</b>	<b>General Description</b>	<b>Definition</b>
1	Very Low probability	2% chance of occurrence
2	Low probability	5% chance of occurrence
3	Medium probability	10% chance of occurrence
4	High probability	20% chance of occurrence
5	Very high probability	50% chance of occurrence

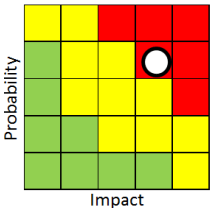
**RISK 1: Legislative Requirements**

That new legislative requirements potentially place significant duties on the Authority that it cannot fulfil (resulting in adverse judgements from regulators, significant fines and potential court proceedings and/or existing services are compromised)

Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	March 2017	12	3	4	Unchanged  There is continued pressure on the council to implement the new duties detailed by new legislation. Whilst significant work is underway, there remain major risk factors.	June 2017
	December 2016	12				
	August 2016	12				
	May 2016	16	Medium probability	High Governance impact		
	February 2016	16				
	December 2015	16				
	August 2015	16				
<b>Current Action Status / Control Strategy</b>	Welsh Language Act	<ul style="list-style-type: none"> <li>Strategic equalities group monitors implementation supported by Welsh Language group.</li> <li>Action plans in place and being monitored. This has shown significant progress.</li> <li>Progress includes increasing awareness of the Welsh Language Standards across the authority. Leaflets, posters, desk prompts and video available.</li> <li>Partnership arrangements with another Council now in place and £280k budget allocated, additional resources now available to support service areas and work such as web site development now underway.</li> <li>5 year strategy developed through consultation,</li> <li>Although significant work is ongoing, gaps in service provision remain, and this remains a reputational risk for the Council.</li> </ul>				
	Future Generations Act	<ul style="list-style-type: none"> <li>Cabinet reports updating members on progress and approach. Awareness raising sessions with officers and members completed and work with consultants to develop organisational readiness for the Act underway.</li> <li>Currently developing an impact assessment template that incorporates the sustainability principles. Formal report, service plan and business case templates updated to ensure the principles of the Act are reflected in all decision making.</li> <li>Public Services Board established with agreed Terms of Reference, formal meetings are held at least quarterly.</li> <li>Draft Wellbeing Assessment in place in conjunction with the assessment required for the Social Services Act. Work being undertaken on a Gwent basis to inform the Wellbeing Assessment and Plan - funding secured from Welsh Government to support this work.</li> <li>Development of wellbeing objectives finalised, pending the redevelopment of the Corporate Plan in 2017.</li> </ul>				
<b>Responsible Officer:</b> Chief Executive						
<b>Responsible Cabinet Member(s):</b> Leader of the Council, Deputy Leader, Cabinet Member for Community Work and Skills, Cabinet Member Finance and Resources						
<b>Scrutiny Committee(s):</b> (1) Community Planning and Development and (2) Street Scene, Regeneration and Safety						

**RISK 2: Increasing Ageing Population**

That an increasing percentage of the population are over 65 and this puts an increasing strain on demand led services, particularly those that are statutory in nature and significant budgetary overspends

Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	March 2017	16	4	4	Unchanged ↔ Demographic Pressures indicate a 14% rise in the number of adults over 70yrs of age by 2020. There are also increasing numbers of older people with complex health conditions and national research indicates that local authority adult services budgets need a 3% year on year real terms increase in budgets to manage this challenge. The economic climate makes this rate of budget increase extremely unlikely, thereby indicating increasing unmet need.	June 2017
	December 2016	12				
	August 2016	12				
	May 2016	12				
	February 2016	12	High probability	High Financial Management Impact		
	December 2015	12				
	August 2015	12				
	May 2015	12				
	March 2015	12				
	August 2014	8				

<b>Current Action Status / Control Strategy</b>	<ul style="list-style-type: none"> <li>• Focussing on preventative measures and developing resources for prevention and early intervention with colleague agencies to reduce pressure on more acute statutory services – community and carers connectors</li> <li>• Recommissioning voluntary sector services to align to principles of the Social Services and Wellbeing Act 2014.</li> <li>• Transforming existing services to provide an optimal care pathway for older people focussing on independence and re-ablement</li> <li>• Pioneering and, 'In-Reach multi-agency team to visit wards in Royal Gwent on a daily basis to streamline decision making on discharge from hospital</li> <li>• Implementing transformation through project management approach with strong management and performance monitoring</li> <li>• Development of a long term dialogue with communities aiming to strengthen community resilience and capability</li> <li>• Development of a whole council approach to building community resilience</li> </ul>
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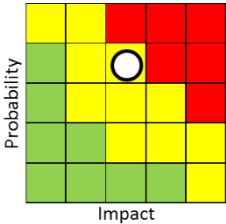
**Responsible Officer:** Strategic Director People

**Responsible Cabinet Member:** Cabinet Member for Adult Social Services and Housing

**Scrutiny Committee:** Community Planning and Development

**RISK 3: Capacity and capability to meet the councils objectives**

That there are not skills and or capacity within the workforce to deliver both operational services and also the pace of change needed to modernise services and balance the budget.

Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	March 2017	12	4	3	Unchanged ↔ Work continues in this area	June 2017
	December 2016	12				
	August 2016	12				
	May 2016	12				
	February 2016	12	High Probability	Medium Operational Impact		
	December 2015	12				
	August 2015	12				

**Current Action Status / Control Strategy**

- There are continued capacity and capability gaps across the council; these are more prevalent in some areas than others. Although there are a number of actions (see below) that are being undertaken to remediate this situation, there are still risks going forward which will potentially exacerbate this current situation; these include further required financial savings and issues with recruiting to key positions.
- The Workforce Plan identifies objectives for future planning for all Service Areas.
- People and Business Change will pilot career pathway planning in Autumn 2017 to role model to other service areas
- Creation of an apprenticeship scheme was approved in June 2016 and recruitment is underway to the first cohort of apprentices due to start in September 2016, with a possible second intake due to start in January 2017.
- Pilot taking place in Education Services for the roll out of greater NVQ/ILM opportunities for those in the workplace wanting to enhance current skill level. Intention to offer to wider workforce in 2017 linked to workforce planning for each service area
- Mandatory training will be identified for each post and linked to job descriptions to set out the expectation of ability, skill and experience at the point of recruitment and to form a development path throughout induction, probation and longer term
- Additional Investment in Project Management and business change resources
- Coaching, shadowing and mentoring opportunities delivered as part of the change programme
- Specific business support and training provided for business case development and project management.
- More effective use of central support resource
- Training Master classes developed and number of managers attending measured green for 2015 with over 80% attending training to upskill
- Action Learning Sets have been practised at Senior Management Forum and OD are collating requests from managers to create networks of peer coaching through the use of ALS. HR and Finance partners will be trained as facilitators to enable greater support to managers in identifying problems and creating their own solutions.
- Use of external resource / experts
- Sampling of My Review has taken place in August 2016 by the HR/OD team and feedback will be provided to managers in

	<p>September with a refreshed roll out of training on how to conduct appropriate appraisals between October and March 2017 in time for the next annual appraisal</p> <ul style="list-style-type: none"> <li>• OD strategy devised to enable the organisation to achieve faster cultural change and improved performance</li> <li>• People service plan to heavily focus on workforce planning and OD for next 12 months</li> <li>• Performance management process is currently being reviewed with a key objective for 2016/17 to be the roll out of a revised scheme, new performance management system to be piloted early 2017 to assess whether appropriate for organisation roll out</li> <li>• New cohort of managers undertaking ILM level 5 in Coaching and Mentoring to start in January 2017</li> <li>• New cohort of senior leaders undertaking Executive Coaching</li> </ul>
<p><b>Responsible Officer:</b> Chief Executive</p>	
<p><b>Responsible Cabinet Member:</b> Cabinet Member for Finance and Resources</p>	
<p><b>Scrutiny Committee:</b> Community Planning and Development</p>	

**RISK 4: Budget Challenge**

That the continuing need for significant annual savings is increasingly difficult to achieve and that could compromise organisational capacity and service delivery including statutory services

Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
<p>Probability</p> <p>Impact</p>	December 2016	12	4	3	Unchanged ↔ Whilst assumptions on WG revenue grant support has improved and therefore reduced medium term budget gap over medium term, the planning parameters still assume an annual cash reduction in grant and therefore savings required which are increasingly difficult to achieve, without cuts to service provision. Impact on organisational capacity and delivery of services therefore still significant.	June 2017
	August 2016	12				
	May 2016	12	Medium probability	High Financial Management impact		
	February 2016	12				
	December 2015	12				
	August 2015	16				
<p><b>Current Action Status / Control Strategy</b></p> <ul style="list-style-type: none"> <li>• Business planning process identifies impact of all savings including impact on statutory services</li> <li>• Agreed financial strategy</li> <li>• Robust and early work on the financial strategy and budget</li> <li>• Medium term outlook within the financial strategy</li> <li>• Aligning with the 2020 strategy and plans for service areas</li> <li>• Business cases 2017/18 and MTFP developed and reviewed</li> <li>• MTFP still required balancing over the medium term</li> </ul>						

**Responsible Officer:** Chief Executive

**Responsible Cabinet Member:** Leader of the Council, Cabinet Member for Finance and Resources

**Scrutiny Committee:** Community Planning and Development

<b>RISK 5: Safeguarding</b>						
That the arrangements and the implementation of policies and procedures by the council (and its partners) are not adequate to protect vulnerable adults and children who may be at risk of significant harm						
Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	December 2016	8	2	4	Unchanged The level of risk is manageable because this is an area of absolute priority for the local authority. There are safeguarding manager roles across the council and we have strong links with national and regional safeguarding boards	March 2017
	August 2016	8	Low Probability	High Governance Impact		
	February 2016	8				
	August 2015	8				
	March 2015	8				
	August 2014	8				
<b>Current Action Status / Control Strategy</b>	<ul style="list-style-type: none"> <li>• Safeguarding Action Plan agreed and implementation underway</li> <li>• Continuous review of policies and procedures</li> <li>• Partnership working</li> <li>• Raising awareness of policies and procedures with staff</li> <li>• Service Manager for Safeguarding is in place</li> <li>• Safeguarding role in Education</li> </ul>					
<b>Responsible Officer:</b> Strategic Director - People						
<b>Responsible Cabinet Member:</b> Cabinet Member for Adult Social Services and Housing, Cabinet Member for Education and Young People						
<b>Scrutiny Committee:</b> Learning, Caring and Leisure						

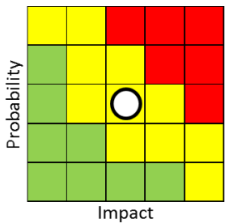

**This risk is to be closed in the risk register review in June 2017 and a new risk relating to the increasing number of highly vulnerable children to be introduced.**

<b>RISK 6: Investment in Friars Walk Development</b>						
That the development does not realise its target value and the developer is unable to sell or re-finance the scheme to repay the loan						
Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	December 2016	12	4	3	Unchanged	June 2017
	August 2016	12	Medium Probability	Medium Strategic Impact	<p>The Developer and the Council are currently progressing a sale of the Scheme. The Scheme is c85% let by income and this should increase over the next few months. At this level of letting, the scheme has secured a sufficient rental income to generate a sale and if it can't be concluded, a reinvestment value for the Council, at least in the short term and this significantly reduces any impact.</p>	
	May 2016	9				
	February 2016	2				
	December 2015	2				
	August 2015	4				
	May 2015	6				
	March 2015	8				
	November 2014	12				
	August 2014	12				
<b>Current Action Status / Control Strategy</b>	<ul style="list-style-type: none"> <li>Financial modelling undertaken to test viability of various sale and re-finance options</li> <li>Retail and Leisure anchor stores secured (Debenhams and Cineworld) and other major store units now leased.</li> <li>Safeguards built in to mitigate financial risks e.g. Friar's Walk financial reserve</li> <li>Council able to exercise step-in rights</li> <li>Regular dialogue is taking place with the developers and the purchasers regarding the sales process and the completion of the necessary legal and financial documentation</li> </ul>					
<b>Responsible Officer:</b> Strategic Director – Place						
<b>Responsible Cabinet Member:</b> Cabinet Member for Regeneration and Investment						
<b>Scrutiny Committee:</b> Streetscene, Regeneration and Safety						



**RISK 7: City Deal**

That the SE Wales region, which includes Newport CC, cannot conclude a city deal within the timescales and as a result misses the opportunity to secure investment to improve economic outcomes for the communities of the city

Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	March 2017	9	3	3	Unchanged   The initial stage of the city deal process has been completed.  This will take the rest of 2017 to conclude so the risk assessment score remains unchanged.	June 2017
	December 2016	9				
	August 2016	9				
	May 2016	9	Medium Probability	Medium Strategic Impact		
	February 2016	9				
	December 2015	9				
	August 2015	9				

**Current Action Status / Control Strategy**

- The Heads of Terms document for the Cardiff Capital Region City Deal was signed on 15<sup>th</sup> March 2016. This is an agreement between the 10 local authorities of the SE Wales region, Welsh Govt and UK Govt. This is the first critical milestone for the completion of the city deal.
- The Council formally committed to the city deal process at their February 2017 meeting.
- Formal governance structures are now in place, including the establishment of a Shadow Joint Cabinet of all Leaders to exercise appropriate oversight of the city deal process. We also now have a Programme Director in place to provide additional resource to complete the next phase of activity.
- Detailed City Deal arrangements were signed on 1<sup>st</sup> March.

**Responsible Officer:** Chief Executive  
**Responsible Cabinet Member:** Leader of the Council  
**Scrutiny Committee:** Community Planning and Development

<b>RISK 8: Brexit</b>						
That the financial implications of leaving the European Union have a negative impact on the councils financial position						
Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	March 2017	9	3	3	Unchanged This risk remains unchanged as we await further discussion and timescales from the Welsh Government and Central Government	June 2017
	<i>December 2016</i>	9	Medium Probability	Medium Strategic Impact		
	<i>August 2016</i>	9				
<b>Current Action Status / Control Strategy</b>	<p>This is a new risk which will need to be monitored carefully. The result of the referendum in June 2016 has resulted in further uncertainty for the overall financial outlook for the UK. This may have an impact on future funding for the council.</p> <p>A good deal of our activity is also guided by EU regulation. It is unclear at this time both when the EU will formally exit the EU and how these regulations may change</p> <p>This remains uncertain, further discussion and engagement from the Welsh Government and UK Government is needed to confirm timescales</p>					
<b>Responsible Officer:</b> Chief Executive						
<b>Responsible Cabinet Member:</b> Leader of the Council						
<b>Scrutiny Committee:</b> Community Planning and Development						