



AUDIT COMMITTEE – 10TH APRIL 2018

SUBJECT: CORPORATE RISK REGISTER MONITORING (Q3 – 2017/18)

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

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- 1.1 The report, which was considered by Cabinet on 14th February 2018 provide Members with an update on the Corporate Risk Management Strategy and sought Cabinet approval prior to the presentation to Audit Committee on 3rd April 2018.
 - 1.2 The report outlined that Members have a critical role to play in evaluating the Council's Risk Management arrangements and in particular understanding how the Council identifies, manages and, where possible, mitigates/removes risk. Risk Management is crucial to the effective delivery of Council services.
 - 1.3 Under the Council's Risk Management Strategy, the Corporate Management Team (CMT) monitors the Council's Corporate Risks and Audit Committee have the role of reviewing and challenging the risk register and where relevant, resultant action plans, for the Council's key strategic and corporate risks. The role of Cabinet has been formalised and moving forward, Cabinet receive six monthly progress reports in the Corporate Risk Register. The Risk Resister has been reviewed and updated by CMT on the 7th December 2017 and the changes made summarised in the table in 4.4 of the report.
 - 1.4 Cabinet discussed the report and raised concern for the Risk Rating of High, which was assigned to the WHQS Programme. It was noted that significant work has been underway within the programme, which has included the introduction of a new procurement process and the use of the internal workforce to complete works on properties, in response to concerns raised by the Wales Audit Office. It was therefore felt that the risk rating should be reduced. Officers explained that the review if the Corporate Risk Register was undertaken in December, and the rating was appropriate at the time, however, when the Register is next presented to CMT this will be reviewed.
 - 1.5 Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers Report and as outlined at the meeting, the Corporate Risk Register be endorsed and presented to Audit Committee for their consideration.

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Ext. 4210

Appendices:
Appendix 1 Cabinet Report – 14th February 2018.

CABINET - 14TH FEBRUARY 2018

SUBJECT: CORPORATE RISK REGISTER MONITORING (Q3 - 2017/18)

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To provide an update of the Corporate Risk Register in accordance with the Council's Risk Management Strategy.
- 1.2 The Corporate Risk Register update seeks the views and approval of Cabinet prior to its presentation to Audit Committee on the 3rd April 2018.
- 1.3 Members have a critical role to play in evaluating the Council's Risk Management arrangements and in particular understanding how the Council identifies, manages and, where possible, mitigates/removes risk. Risk Management is crucial to the effective delivery of Council services.

2. SUMMARY

- 2.1 Under the Council's Risk Management Strategy, the Corporate Management Team (CMT) monitors the Council's Corporate Risks, and Audit Committee have the role of reviewing and challenging the risk register and where relevant, resultant action plans, for the Council's key strategic and corporate risks. The role of Cabinet has been formalised and moving forward, Cabinet will receive six monthly progress reports on the Corporate Risk Register. The Risk Register has been reviewed and updated by CMT on the 7th December 2017 and the changes made summarised in the table in 4.4.

Attached at Appendix 1 is the updated version of the Council's Corporate Risk Register.

3. LINKS TO STRATEGY

- 3.1 Management of risk is a crucial element in delivering Council priorities and ensuring contribution to, the Well-being Goals as set out in the Well-being of Future Generations (Wales) Act 2015 [WBFGA]:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture & thriving Welsh language
- A globally responsible Wales

4. THE REPORT

4.1 Part of Cabinet's role (as noted in the Council Risk Management Strategy 2017) is to:

- Approve the “risk appetite” of the Council i.e. the definition of high (red) risk, medium (amber) risk and low (green) risk as recommended by the Corporate Management Team.
- Approve the risk “appetite” in light of the new way to view risk through the lens of the sustainable development principles, the short/medium/long term, and the 7 Well-being Goals - Well-being of Future Generations (Wales) Act 2015.
- Hold the Corporate Management Team accountable for the effective management of risk.
- Monitor the arrangements for managing the Council's Corporate (Whole Authority) Risks, through six-monthly progress reports.
- Receive and review the risk register and resultant action plans for the top corporate risks.
- Make an appropriate allocation of resources to address identified risks and risk management framework.
- Ensure that appropriate and effective communication reporting lines are in place in the context of risk management.

4.2 The Corporate Risk Register is compiled generally in the following ways:

- Corporate Management Team (CMT) collectively identify organisational risks that arise from such sources; as national/regional agendas, changing legislation, budget settlements, partnership risks, project risks.
- CMT collectively identify whole authority operational risks that could result from regulatory inspections/reviews, political influences, work-force planning, performance management and from risks escalating from Directorate Risk Registers.
- Directors escalate operational risks that, in their opinion, require a corporate approach to their management.
- Strategic risks suggested by members.

4.3 The Corporate Risk Register (CRR) is a ‘living document’ and may change when periodically reviewed and assessed. New risks introduced, existing risks closed, risk levels change (RAG-red/amber/green), mitigating actions and progress comments updated. See Appendix 1.

4.4 The Risk Management Strategy has been updated and approved (June 2017) and moving forward, Cabinet will receive six monthly progress reports on the Corporate Risk Register. A summary of the main changes in the Risk Register since the last report is provided in the table below:

| Risks Removed | Risks Added | Risks Amended |
|--------------------------------|-------------|--|
| CMT18 – School Rationalisation | | CMT01 – Mitigating Actions and Comment. CMT29 - Risk Narrative, Risk Level. Mitigating Actions & Comment. CMT12/37 – Risk Narrative. Mitigating Actions & Comment. CMT39 – Risk Level & Comment. CMT44 – Risk Level & Comment. |

4.5 The attached register has been updated to reflect changes in the way risk is identified and assessed in light of the 'duty' to act sustainably (paragraph 5.2) which emphasises a long term and prevention aspect in the way we view risk, particularly its affects on citizens or their communities. The WBFGA legislation states in its guidance that a public body will need to change the way it manages risk. Under section 3 of 'where change needs to happen' of the Welsh Government Guidance, it states that:

"There will be long term risks that will affect both the delivery of your services but also the communities you are enabling to improve. Use the well-being goals and five ways of working to frame what risks you may be subject to in the short, medium and long term and together with the steps you will take to ensure they are well managed".

4.6 Looking to the long term, does not mean short term risks go away, or that operational risks for example, are less important. It means we have to broaden our scope to include risks to the public, risks to services for those with protected characteristics and recognising strengths of communities as opportunities. The register template (Appendix 1) reflects this.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 The Well-being of Future Generations (Wales) Act 2015 [WBFGA] identifies a core set of activities that are common to the corporate governance of public bodies where change needs to happen:

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

5.2 The Corporate Risk Register incorporates the five ways of working (ICLIP) identified within the sustainable development principle in the WBFGA. These are:

- **Involving** a diversity of the population in the decisions that affect them.
- Working with others in a **Collaborative** way to find shared sustainable solutions.
- Looking to the **Long-term** so that we do not compromise the ability of future generations to meet their-own needs.
- Taking an **Integrated** approach so that public bodies look at all the well-being goals in deciding on their well-being objectives.
- Understanding the root causes of issues to **prevent** them from occurring.

5.3 Risks are assessed in terms of their implications for the wellbeing of future generations.

6. EQUALITIES IMPLICATIONS

6.1 The Local Government Measure defines fairness and access as one of the criteria that constitutes 'improvement' within the Wales programme for Improvement 2009.

6.2 Promoting equalities is a fundamental requirement of the Future Generations Legislation, with specific resonance for meeting the Well-being Goals of: *A More Equal Wales*, and *A Wales of Cohesive Communities*.

7. FINANCIAL IMPLICATIONS

7.1 There are no financial implications associated with this report.

8. PERSONNEL IMPLICATIONS

8.1 There are no personnel implications associated with this report.

9. CONSULTATIONS

9.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

10. RECOMMENDATIONS

10.1 That Cabinet provides their views on the Corporate Risk Register and having done so endorse the update prior to presentation to the Audit Committee.

11. REASONS FOR THE RECOMMENDATIONS

11.1 To be assured that the Council is managing its risks effectively and in compliance with the Council's Risk Management Strategy.

12. STATUTORY POWER

12.1 Local Government Measure 2009. Wales Programme for Improvement 2010. Well-being of Future Generations (Wales) Act 2015.

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|-------------|--------------------|--|
| Author: | Ian Raymond | Performance Officer |
| Consultees: | Christina Harry | Interim Chief Executive |
| | Mark S Williams | Acting Director of Corporate Services & Section 151 Officer |
| | Dave Street | Interim Corporate Director of Communities |
| | Robert Hartshorn | Corporate Director of Social Services |
| | Kathryn Peters | Head of Policy and Public Protection |
| | Ros Roberts | Corporate Policy Manager |
| | Lisa Lane | Corporate Performance Manager |
| | Richard Harris | Corporate Solicitor |
| | Anwen Cullinane | Internal Audit Manager |
| | David Roberts | Senior Policy Officer- Equalities & Welsh Language |
| | Shaun Watkins | Principal Group Accountant |
| | Cllr Barbara Jones | Principal Personnel Officer |
| | | Deputy Leader and Cabinet Member for Finance, Performance and Governance |

Appendices:

Appendix 1 Corporate Risk Register (December 2017)

| Ref | Area | Background information | Actual Risk | Mitigation actions - what we are doing to reduce the risk and by when. Have we considered the five ways of working to help with a solution? (see ICLIP key) | Additional Resources Required | Risk Level 2017-18 Q1 | Risk Level 2017-18 Q3 | Comments from latest risk review | Does this effect the Well-being of Future Generations in our Communities? | Long term (20-25 years) / medium / or short-term risk | FGA Risk Level | Risk Owner |
|-------|---|--|---|--|-------------------------------|-----------------------|-----------------------|---|---|---|----------------|--------------------------------|
| CMT01 | Medium Term Financial Planning (MTFP): MTFP Strategy 2017/22 Capital Budget Pressures | Budget pressures will potentially have a negative effect on service delivery across all services. Inadequate funds to maintain assets. Need to rationalise. | <ol style="list-style-type: none"> 1. Workforce Planning: less staff to deliver services. 2. Failure to maintain and/or improve service delivery. 3. Failure to take early decisions on which services should be cut could limit planning for changes. 4. Managing staff morale in light of cuts. 5. Revenue Support Grant (RSG) formula change. 6. National living wage. 7. Member/public expectation levels and reputation risk. 8. CCBC priorities moving forward. 9. National and Regional change agenda. 10. Inability to invest in assets e.g. progress 'Band B' of the 21st Century Schools Programme. | <ol style="list-style-type: none"> 1. Human Resources (HR) have a suite of policies agreed by Cabinet/Council to help downsize the workforce, although these will need to be kept under review. 2. Decisions taken so far have aimed to reduce rather than remove services. This will not be possible in the light of future projections. The Cabinet is currently working on revised "savings principles". 3. 2018/19 draft savings proposals totalling £7.205m were endorsed by Cabinet on the 15th November 2017. Following an extensive period of consultation, final budget proposals will be presented to Cabinet on the 14th February 2018 and then Council on the 22nd February 2018. An updated Medium-Term Financial Plan (MTFP) will also be presented to Cabinet and Council in February 2018. 4. Development of an appropriate communication strategy. 5. Consultation with the public, and affected service users. 6. Need to pursue an Asset rationalisation programme. 7. Savings targets have been allocated to Heads of Service. 8. Business Improvement Board has been established and part of its remit will be to oversee major projects focussing on service change. | 1-4 None | High | High | 2018/19 final budget proposals to be presented to Cabinet and Council in February 2018. An updated Medium-Term Financial Plan will also be presented covering the period 2018/19 to 2022/23. Once the updated indicative savings requirement has been established for the four-year period 2019/20 to 2022/23, Heads of Service will need to identify further potential savings proposals for consideration. | Yes, the financial resources available will impact on the services we deliver and the way we deliver them. This will affect the community. | Medium-term | High | Corporate Management Team |
| CMT16 | School Attainment | School attainment levels are still below the all Wales average, along with pupil attendance. Low levels of attainment and relative achievement are continual risks for the borough. | <ol style="list-style-type: none"> 1. Attainment levels are below the Welsh average. 2. There is a gap between the attainment of Free School Meals pupils and Non-Free School Meals pupils which must be addressed. | <ol style="list-style-type: none"> 1. Standards of attainment are monitored and reported to the; Senior Management Team (SMT) / Corporate Management Team (CMT) / Scrutiny Committee, through an annual programme of reporting described in the Directorate Plan Handbook. 2. The LA will continue to work closely with the EAS to ensure that schools are challenged and supported effectively. 3. Schools most at risk of underperformance will be monitored on the regional Schools Causing Concern process. 4. Where schools fail to make the expected programme at the expected rate, in consultation with the EAS, the LA will consider the use of statutory powers. | 1 None | Medium | High | Improvement has been continuous in the majority of key indicators for several years but remains a priority, especially at L2+ KS4. The Chief Executive and Chief Education Officer are working with the Education Achievement Service (EAS) and Head teachers to develop a comprehensive strategy for improvement. To be reviewed in August after the next set of results become available. Performance in 2017 was in line with the national profile and, although there was a decline in most indicators, Caerphilly improved its comparative position, demonstrating a resilience in the face of much change. The Strategy is in development and is scheduled to be completed this summer. | Yes, this limits contribution to 'Prosperous and More Equal Wales'. Standards of attainment and gaps in inequality can result in a low skilled, low paid workforce, and higher levels of unemployment leading to poverty. Over the long-term (25 years) in the life of a young child to adult the potential outcome of the attainment gap makes this a high risk. | Long-term | High | Interim Chief Executive |
| CMT17 | Sustainability of service provision via grant funding | Heads of Service and Directors are aware of all the grant funded schemes within their service areas. | <ol style="list-style-type: none"> 1. There is lack of security or sustainability in maintaining grant funded programmes 2. Critical workforce levels cannot be maintained as staff are lost. 3. Grant funding is sustaining some key areas of work. If this is lost there will be a reduction in service that may impact on customer satisfaction levels. | <ol style="list-style-type: none"> 1. The risk will be closely monitored in light of the expected worsening settlement from Central Government to WG. 2. Staff are placed on temporary contracts. 3. Officers have prepared detailed transition plans (31.05.17) for Communities First(CF) for submission to Welsh Government (WG). The focus of revised WG programme will be on employment, early years and empowerment. 4. Details reported to the Public Services Board 5.9.2017. 5. Proposals to address the funding and policy criteria offered by WG presented to Scrutiny 19.9.2017 prior to Cabinet 4.10.2017. | 1-2 None | High | High | This risk is predicted to be HIGH going forward to 2017-20 | Yes, grants are usually allocated to support vulnerable communities and improve the prospects of individuals. Cuts affect the ability to contribute to a 'Prosperous and More Equal Wales'. | Medium-term | High | Corporate Management Team |
| CMT29 | Welsh Housing Quality Standard (WHQS) programme | Everyone in Wales should have the opportunity to live in a good quality home within a safe and secure community. To help achieve this, the physical standard and condition of existing housing must be maintained and improved to the Welsh Housing Quality Standard (WHQS). | Failure to meet WHQS for all our social housing stock by 2020. | <p>The WHQS programme has its own specific risk register which is reviewed and updated by the Project Board quarterly.</p> <p>The last update was June 2017. The highest risks are:</p> <ul style="list-style-type: none"> ● Failure to achieve programme objectives - the probability level has increased due to one of the main internal works contractors having ceased trading and still high risk in relation to the external works. Contingency arrangements have been implemented as identified below. There is also contingency built into the programme for the final year (2019/20) in relation to the internal works where there is currently no work allocated to the external contractors appointed to the internal works contracts. | None | Medium | High | <p>A review of the business plan has now taken place using accurate costs based on recent tender submissions and identified work based on in-house surveys, to replace the previous Savill's estimates which were known to be inaccurate. Whilst costs have increased above the estimates, the scope of work has reduced due to previously achieved work, acceptable fails and no accesses, which has resulted in the business plan remaining affordable and the overall programme being achievable.</p> <p>Due to the way the WHQS programme has been structured (phased delivery) i.e. internal and external works being undertaken separately and in different communities, and at different times, the number of fully compliant WHQS properties registered, will not show significant increases, until such time these phased workstreams combine, which should show a noticeable effect occurring from the end of 2017/18.</p> <p>At the end of Q2 (Sept'17) only ~10.2% of our stock (1,103 properties) had been recorded as being deemed fully WHQS compliant, with ongoing and revised works programmes going into Q3 adding to this.</p> <p>Q3 data is currently being checked, with latest records showing:-</p> | | Medium-term | Medium | Corporate Director Communities |

| Ref | Area | Background information | Actual Risk | Mitigation actions - what we are doing to reduce the risk and by when. Have we considered the five ways of working to help with a solution? (see ICLIP key) | Additional Resources Required | Risk Level 2017-18 Q1 | Risk Level 2017-18 Q3 | Comments from latest risk review | Does this effect the Well-being of Future Generations in our Communities? | Long term (20-25 years) / medium / or short-term risk | FGA Risk Level | Risk Owner |
|---------------|--|--|---|---|-------------------------------|-----------------------|-----------------------|---|---|---|----------------|------------------------------------|
| | | | | <p>• Capacity -Staff resources, especially amongst front line roles such as Surveyors, Clerk of Works, Quantity Surveyors, etc. are critical to cope with the volume of work within a fixed timetable. The addition of the Sheltered schemes to the programme for 2017/18 has slightly increased the resource requirements in the immediate and short term. However, a business case to increase resources as and when required to deal with peaks and troughs has been approved and is in place to be used when necessary. New contract arrangements for the south of the borough have been put in place for the external works. This Dynamic Purchasing System (DPS) arrangement also provides opportunity to undertake both internal and external works around the authority should the need arise as a further contingency measure. As a result of one of the main internal works contractors having ceased trading, alternative arrangements are in the process of being implemented whereby the in-house workforce will pick up the majority of this workload by moving resources from other contract areas, with additional support being provided by external contractors via the DPS as and when required. A new programme is being developed based on more accurate cost information in place of previous Savill's estimates and the anticipated work that is being projected to 2020. Monthly Project Board meetings will continue to be held to monitor ongoing performance and to assist with the decision making process.</p> | | | | <p>Internal improvement work completions to date are 70.4% (7,619) of our property stock and External improvement work completions being 32.4% (3,511) properties.</p> <p>The WHQS programme and delivery plan is constantly under review in order to respond to any changing circumstances. There is a significant pipeline of external works on the ground and a further 1,000, at contract award stage or being tendered. Nevertheless, the external works remain a risk area to the programme due to the amount of previous slippage, resource capacity and weather conditions.</p> <p>A procurement process (Dynamic Purchasing System) has been initiated for the LRV to establish a new framework for external and internal works to act as a general contingency. The procurement process will be based on a Bill of Quantities in an attempt to improve value for money. The DPS will be utilised to assist in supporting the internal work in the south area following the loss of one of our main contractors, although the majority of work will be picked up by our in-house team.</p> <p>A significant percentage of work to the sheltered housing schemes will be undertaken by the in house workforce. Good progress has been made during the first quarter with work to five schemes currently ongoing.</p> <p>Staff movement and recruitment issues will be a continuing risk to the delivery of the programme and maintaining sufficient capacity in key areas such as Clerk of Works and Quantity Surveyors.</p> <p>Projected expenditure against the budget continues to be monitored closely and a review of the cost plan has recently been completed as well as a review of work programmes and specifications. This indicates that the programme remains affordable and achievable</p> <p>The findings of the WAO and their key recommendations will need to be addressed without having a detrimental impact on the continued delivery of the programme due to the need for staff to respond to the issues raised. A commitment has also been made to complete 40% of external and 75% of internal works by March 2018 which is challenging.</p> <p>While there are risks that require appropriate mitigation measures there is an increased momentum to achieve the 2020 deadline.</p> | | | | |
| CMT12 & CMT37 | Waste Management Service Continuity & Target Achievement | The Welsh Government (WG) drive for source segregated collections and substantial change to the recycling Material Recovery Facility (MRF) market and restrictions on exporting low grade recyclate could potentially affect service delivery to the public and/or target achievement if mitigation measures are not put in place. | The ability to meet future recycling and landfill diversion targets with our current collection, disposal and treatment framework. | <p>A Waste Board has been established, Chaired by the Director and including relevant senior officers.</p> <p>i. WG targets continue to be exceeded (2016/17 outturn was circa 65%) as result of some intervention put in place in the last 2-3 years.</p> <p>ii. Deliver 2nd annual doorstepping communications campaign aimed at targetting contamination (last year's concentrated on food waste participation)</p> <p>iii. Deliver 3rd annual doorstepping communications campaign with every household in the county borough being visited with a focus on reducing contamination levels in the recycling stream and using the food waste service.</p> <p>iii. Continue delivery of Project Gwyrdd to further reduce reliance on landfill.</p> <p>iv. CCP modelling work with WG consultants nearing completion with the result that member decisions will be required on future service strategies over the coming 3-6 mths. The collection modelling is complete but we are awaiting further costed option on an alternative WTS/HWRC site.</p> <p>iv. New 2 year MRF contract commenced in July 2017 and long term organics contract currently out to tender with response due in late october.</p> <p>v. Corporate director is keen to build up the waste budgets from a zero base and has therefore set up a series of meetings to examine this commencing in September 2017.</p> <p>vi. Slight amendments being made to dry recycling collection service to reduce contamination and black bag issues in light of new MRF contract now being operational</p> | | Medium | Medium | Although the Authority is performing well against WG Targets, many of the risks (eg: budget, staffing, etc.) remain going forward. | Yes - the purpose of the landfill directive is to divert biodegradable waste away from landfill to reduce pollution. A diverse natural environment with healthy functioning ecosystems contributes to a 'Resilient Wales'. Failure to deal with waste properly affects future generations. | Long-term | Medium | Corporate Director Communities |
| CMT39 | Fragility of the Social Care market | The independent sector social care market across Wales is in an unprecedented position in terms of its fragility and this is starting to be felt in Caerphilly. | <ol style="list-style-type: none"> Providers unable to sustain existing packages of care. National Minimum Wage and National Living Wage creating additional financial strain which providers are expecting LA's to resolve. Little additional capacity to take on new packages of care. Ongoing Judicial Review across Wales re responsibility for Funded Nursing Care Payments Potential Financial impact on the Directorate & authority | Fee levels for 2017/18 agreed at 3.1%. This was funded via a mix of core funding and CCBC's element of the Social Care Workforce grant paid by Welsh Government. A further element of workforce funding has recently been released by WG. Discussions are ongoing with commissioned providers to determine how these monies should be allocated. | Yes | High | High | No change in risk level. 2017/18 fees agreed. | Yes - reducing help that can be provided for the most vulnerable in our society will affect our ability to contribute to a 'Healthier Wales' which requires peoples mental and physical well-being to be maximised. Whilst this may be a medium risk operationally from a FGA perspective this would be high as it directly affects those most in need. | Medium-term | High | Corporate Director Social Services |

| Ref | Area | Background information | Actual Risk | Mitigation actions - what we are doing to reduce the risk and by when. Have we considered the five ways of working to help with a solution? (see ICLIP key) | Additional Resources Required | Risk Level 2017-18 Q1 | Risk Level 2017-18 Q3 | Comments from latest risk review | Does this effect the Well-being of Future Generations in our Communities? | Long term (20-25 years) / medium / or short-term risk | FGA Risk Level | Risk Owner |
|-------|---|---|---|--|-------------------------------|--|--|---|---|---|--|-----------------------------------|
| CMT41 | Local Climate Impacts Profile (July 2015) | Not being prepared for the impacts associated with climate change. For Caerphilly this will manifest as a more volatile weather pattern: | <ol style="list-style-type: none"> 1. More severe storms resulting in damage to trees and buildings. 2. Increase in winter rainfall resulting in flooding, affecting people, property and infrastructure. 3. Extreme Weather Conditions: Difficulty in modifying temperatures in some of our buildings (incl Housing) could lead to increased financial burden, uncomfortable environment conditions (dangerous temperatures) affecting people's health, wellbeing and delivery/receipt of effective services. 4. Changes in species including a decline in native species, changes in migration patterns and increases in alien and invasive species, including pests and disease. 5. Reduction in summer rainfall resulting in reduced river flows and water availability. 6. Increase in levels of extreme weather such as snow/ice which could potentially impact on not only the travelling public but the elderly/frail and those in fuel poverty. 7. Non-compliance with the legislation resulting in a poor regulatory report. | <p>A Local Climate Impact Profile (LCLIP) has been prepared for use by services. It identifies the priority impacts to enable services to develop plans to address the impact. The LCLIP links to other plans including Highways Winter Maintenance Plans, Business Continuity Plans & Emergency Plans etc.</p> <p>Mitigation work being undertaken includes:</p> <ol style="list-style-type: none"> 1. Develop a Tree Management Strategy and seek approval for implementation and review resources to manage tree stock (prior to consideration by scrutiny committee and cabinet). 1. Assessing the condition of trees. 2. Assessing the vulnerability of drainage infrastructure in excessive rainfall 2. Installing flood risk measures at priority vulnerable locations 3. Considering climate change in the Asset Management Programme 3. Plan for improved monitoring, managing and control of the temperature in high risk buildings (e.g. homes for the elderly) in hot/cold weather conditions. 3. WHQS - requires housing stock to have heating systems and controls that are suitable for tenants homes and easy to use. | | Medium | Medium | <p>The Local Climate Impact Profile was approved by CMT in July 2015. It's recommendations should now be considered as business as usual and included in Self-Evaluation and Service Plans.</p> <p>Some projects/programmes currently active to address/minimise the effects/impacts are:</p> <ol style="list-style-type: none"> 1. Tree Management Strategy has been prepared and has been considered by scrutiny (when?) 1. Following a review of resources (both budget and staff) to manage our tree stock, a further report was considered and supported by both scrutiny committee and cabinet. An advert will be placed in the New Year for an additional Arboricultural Officer to assist with tree surveys. In addition, Parks Services are currently reviewing front line staff to form an additional tree maintenance team. 2. Local Flood Risk Management Strategy (Engineering) in place. 2. Risca flood defences are being considered. 3. Ongoing staff training is being delivered by the Corporate Energy Team re: Energy Efficiencies/Carbon Management and Effects of Climate Change. 3. Several larger scale projects have been delivered for solar PV installations to Corporate Building (e.g Care Homes). 3. Initiated works to install PV systems on 20 schools (4Kw) - Contract to be let for 18 schools before the end of December 2017. 3. Heating systems and controls are a key component for considerations in our WHQS improvements programme (see CMT29) 4. Biodiversity Work: Supporting 'pollinators' projects including work with Sirhowy Valley Honey Bee Company. 6. The Winter Service Plan 2017/18 (Highways) has been reviewed, updated, place on the CCBC internet and effectively delivered to date. <p>Other innovative piloting and research works include: The installation of electric vehicle (slow) charging stations x6 at Ty Penallta & x5 at Tiryberth Deport. MOWs Service has piloted the use of x1 electric light van, which was also piloted as a pool vehicle for a short period of time. Awaiting further information and the opportunity to pilot of light van for use by Countryside Services (not expected until later in 2018). Also installing x2 fast charging points at Ty Penallta.</p> | Yes - there is an impact to a 'Resilient Wales' by not proactively addressing the operational response to climate change. The contribution to global issues and a 'Globally Responsible Wales' is met through low carbon planning and sustainable development. There is a direct impact to Health also. | Short, medium & Long-term | Medium | Corporate Management Team |
| CMT42 | Exit from the EU | | The decision to leave the EU has created a degree of uncertainty. This has caused some turbulence in the short term. Moving forward it is currently difficult to determine whether Brexit will be better, or worse, for the Authority, Wales and the UK. | CMT are continuing to monitor the situation. | | Unable to assess due to level of uncertainty | Unable to assess due to level of uncertainty | There remains a great deal of uncertainty around the potential positive or negative impacts of the decision to leave the EU. Officers are continuing to monitor the situation. | Impacts are not yet fully understood, however they will take place over a longer time frame | Long-term | Unable to assess due to level of uncertainty | Corporate Management Team |
| CMT44 | Local Development Plan (LDP) | Not having an up to date Local Development Plan (LDP) in place to address the shortfall on 5 year housing land supply. Following extensive consultation Councillors concluded in a vote 19th July to formally withdraw the draft Local Development Plan following opposition to some development sites. | The adopted LDP proposes a number of houses to be built over a 15 year period and allocates land for that housing development. However, the annual housing land available study conducted with the housebuilding industry and Welsh Government has revealed that many of the allocated sites are not available or viable, and there is therefore a shortfall of housing land on which the remaining number of houses can be built. Housing developers will therefore submit applications to develop land that is not allocated in the LDP. The Council will consider the applications, but the lack of a five-year housing land supply will be a strong material planning consideration that may outweigh other policies in the plan. A refusal of planning permission may lead to an increase in appeals and award of costs if the Council is considered to behave unreasonably, e.g. where a reason for refusal is not based on any sound evidence. | The Adopted LDP remains in force until 2021. In the interim, officers are working closely with Welsh Government officials to agree the appropriate footprint for strategic planning for the Cardiff Capital Region. It is unlikely that the 5 year land supply can be addressed in the short term. In the medium to long term a replacement plan will increase the land supply position. | | Medium | High | A number of significant applications have been submitted and approved by Welsh Government on appeal. Resulting in significant cost to the authority. Having regard to the number of potential future developments there are concerns that existing infrastructure such as transport, schools, and other services is inadequate. Due to the number of impending developments being agreed by the WG Planning Inspector we have moved this into a high risk category. | Yes - the lack of an LDP threatens the timely delivery of land for development, particularly housing, making it more difficult to achieve the goal of prosperity. | Medium Term | Medium | Corporate Director of Communities |
| CMT45 | Local Government Reform | Welsh Government White Paper: 'Reforming Local Government: Resilient and Renewed' - Published on 31st January 2017 and draft Local Government (Wales) Bill issued in November 2015. | <ol style="list-style-type: none"> 1. Logistics and impact of 'regionalising' certain services could lose sight of localised needs. This could have a negative effect on the well-being of some of our communities. (E.g. perceived priorities/disparities between; Cities v Town v Village v Rural areas). 2. Changes to Governance arrangements could initially delay decision making, operational and service delivery and overall performance of the authority. 3. Scrutiny may be diluted, creating an exposure and vulnerability to regulatory criticism. 4. Staff re-structuring could cause service delivery interruptions at pressing times / there will be cost implications / and, uncertainties about retaining or recruiting appropriately educated and skills workforces throughout the organisation to continue delivery of high levels of performance. 5. Current financially stable authority monies may be diverted / used to support the lesser financially stable authorities, reducing opportunities locally | <ol style="list-style-type: none"> 1. Report to Council - 7th March 2017: To seek Council approval for the proposed Caerphilly County Borough Council response to the consultation on the Welsh Government White Paper: 'Reforming Local Government: Resilient and Renewed'. Approved. 2. Welsh Government are currently working to a timetable which would see a Local Government Bill introduced in summer 2018, to commence in 2019, with mandated regional working arrangements in place in 2020. | | Low | Low | New risk. Await the result of the Local Government Reform White Paper. The Welsh Local Government Association (WLGA) has submitted a response to the consultation, which does not support mandated regional delivery. | Yes - However, impacts are not yet fully understood. | Medium and Long term | Medium | Corporate Management Team |

| Ref | Area | Background information | Actual Risk | Mitigation actions - what we are doing to reduce the risk and by when. Have we considered the five ways of working to help with a solution? (see ICLIP key) | Additional Resources Required | Risk Level 2017-18 Q1 | Risk Level 2017-18 Q3 | Comments from latest risk review | Does this effect the Well-being of Future Generations in our Communities? | Long term (20-25 years) / medium / or short-term risk | FGA Risk Level | Risk Owner |
|-------|--|--|---|--|-------------------------------|-----------------------|-----------------------|--|--|---|----------------|-----------------------------------|
| CMT46 | Cardiff Capital Region City Deal (CCRCD) | CCRCD signed by all 10 Local Authorities in January 2017 | <ol style="list-style-type: none"> 1. That the business plan detailing themes & indicative spend is not agreed by all 10 LA's. 2. CCRCD is unable to pass scheduled gateway reviews potentially leading to financial liability. 3. Challenging timeframes. 4. Senior managers ability to lead on CCRCD proposal. | <ol style="list-style-type: none"> 1a. Director working as part of thematic lead team will input into the draft proposals. Working closely with the CEO we will ensure Members fully understand the proposals offered for approval, which will capture the benefits of this regional initiative, and that activities in other county boroughs will benefit the region as a whole, including Caerphilly borough. 1b. CCBC Regeneration Strategy/Resilience Strategy to be drafted as soon as possible to identify CCBC regeneration priorities. 1c. A project development fund is included within the CCRCD Programme office which can be accessed for bid development. 2. The process will be closely monitored so that any potential liabilities are identified well before the gateway reviews. 3. Work priorities will be reviewed to accommodate the timeframes. 4. Skills amongst senior managers within the constituent authorities will be identified to ensure that the necessary leadership is available. | | Low | Low | | The CCRCD is intended to bring significant benefits in terms of greater prosperity for the region and to maximise the ability of the authority to capitalise on training and employment opportunities for the area | Long-term | Low | Corporate Director of Communities |
| CMT47 | Asset Management. | Insufficient budget to manage existing assets or pursue necessary development. The authority has too many buildings and insufficient capital programme allocation to maintain them. Additionally revenue budgets for building maintenance are being diverted to meeting the demands of the necessary legal standards, in particular health and safety legislation and that might well mean that normal building maintenance will suffer. | <ol style="list-style-type: none"> 1. Maintenance of existing sites will not be to a required standard 2. Disposal of assets must be managed carefully to minimise community and service impacts 3. Community Asset Transfer as an option brings risks in relation to continued liability 4. Asset disposal may not realise expected returns 5. Inability to pursue issues that we would wish, to improve service provision and community outcomes e.g. Band B of 21st Century Schools | <ol style="list-style-type: none"> 1. Development of asset management and rationalisation programmes 2. Cost benefit assessment before planned expenditure supported by business case where relevant 2. Early stakeholder and community consultation before asset disposal 3. Support for recipient organisations accepted for Community Asset Transfer 4. Long term view of the needs of local communities balanced against the need to secure budget savings in the short to medium term. 5. Services to identify what buildings they can realise as a consequence of Medium Term Financial Plan (MTFP) savings. | | Medium | Medium | Risk added to reflect MTFP pressures on capital decisions and inadequacy of capital funds. | Potentially disposal of assets across the authority may affect some communities disproportionately in the short to medium term. However, this has to be balanced against the need to manage a 'fit for use' portfolio to secure provisions for future generations over a longer timeframe. | Medium-term | Medium | Corporate Management Team |

ICLIP Key:

Involving a diversity of the population in the decisions that affect them;

Working with others in a **collaborative** way to find shared sustainable solutions;

Looking to the long term so that we do not compromise the ability of future generations to meet their own needs;

Taking an integrated approach so that public bodies look at all the well-being goals in deciding on their well-being objectives;

Understanding the root causes of issues to **prevent** them from occurring.