



ERW

Ein Rhanbarth ar Waith
Education through Regional Working
www.erw.cymru
www.erw.wales

Corporate Risk Register (Threats)

2017-18

April 2018



Introduction

ERW's Corporate Risk Register contains the strategic business risks (threats) to the achievement of the ERW's Vision and Aims as outlined within the ERW Business Plan.

ERW's Vision: "Improving Learning Together"

ERW's Aims:

- Improve the quality of leadership and its impact on outcomes
- Improve the quality of teaching and learning experiences and its impact on outcomes
- Reduce the impact of poverty on attainment, support vulnerable learners and ensure all learners reach their potential
- Deliver high quality and bespoke support, challenge, and intervention to schools
- Communicate effectively with all stakeholders

Corporate business risks (threats) are scored against the risk (threats) evaluation matrix shown on page 5, using the probability and impact criteria shown on pages 6 and 7.

The Corporate Risk Register is a live document which is subject to regular review by the ERW Managing Director. New business risks identified or escalated via Local Authority risk registers are captured as proposed business risks and considered for inclusion on the Corporate Risk Register by the Lead Chief Executive. The updated Corporate Risk Register is then formally reviewed by the ERW Executive Board. The Corporate Risk Register is reviewed regularly by the ERW Joint Committee.

Business risks are scored at inherent level (before any control measures are applied) and at residual level (after control measures have been applied).

Although control measures are applied, they may not be sufficient to reduce the residual score if external factors (outside of officer control) still have a high influence on the probability of the risk occurring or the impact should it occur, e.g.

Member/Officer Relationships and Review and Reform Programme. The heat map on page 7 shows the highest residual risks on the Corporate Risk Register.

Each risk has its own table showing the inherent and residual risk score along with the tolerance for the risk. Tolerance levels and responsible officers should ultimately be decided by the Joint Committee, who will be advised by the ERW Central Team.

To assist with the monitoring of changes to the Corporate Risk Register between reviews, the risk score table for each risk includes a movement column which shows if the residual risk has increased↑, decreased↓, or stayed the same↔. This will commence from the report presented to the next Joint Committee and will therefore be blank in this report.

The Corporate Risk Register for 2017-18 contains 11 business risks (threats), each of which is indexed at page 8 and shown in detail on pages 10 to 20.

Draft Pending Joint Committee Approval

Risk Evaluation Matrix

Threats					
Probability	Very High	Low (4)	Medium (8)	High (12)	High (16)
	High	Low (3)	Medium (6)	Medium (9)	High (12)
	Medium	Low (2)	Low (4)	Medium (6)	Medium (8)
	Low	Low (1)	Low (2)	Low (3)	Low (4)
		Low	Medium	High	Very High
Impact					

Impact assessment criteria

(Review the risk against the following criteria, chose the one that best describes the impact and rate accordingly from 1 – 4)

Rating	Description	Financial Capital / Revenue	Political	Service / Operations
4	Very High	>40% to <100% budget	<ul style="list-style-type: none"> Political intervention required. 	<ul style="list-style-type: none"> Catastrophic fall in service quality and statutory service standards are not met. Long term interruption to service provision. Report from regulator or inspectorate requiring major project for corrective action.
3	High	>15% to <40% budget	<ul style="list-style-type: none"> Major adverse political reaction. 	<ul style="list-style-type: none"> Major impact to service quality, statutory service standards are not met, long term disruption to operations, multiple partnerships affected. Report of breach to regulator with immediate correction to be implemented.
2	Medium	>5 % to < 15 % budget	<ul style="list-style-type: none"> Significant adverse regional political reaction. 	<ul style="list-style-type: none"> Significant fall in service quality, major partnership relationships strained, serious disruption to statutory service standards. Reportable incident to regulator(s).
1	Low	< 5% budget	<ul style="list-style-type: none"> Minor adverse political reaction and complaints which are quickly remedied. 	<ul style="list-style-type: none"> Minor impact to service quality, minor statutory service standards are not met.

< = Less than

> =More than

Probability assessment criteria

(Select one of the ratings from the definitions below)

Rating	Annual Frequency			Probability	
	Description	Definition		Description	Definition
4	Very High	More than once in last 12 months		Very High	>85 % chance of occurrence
3	High	Once in last 2 years		High	>45% to <85 % chance of occurrence
2	Medium	Once in 3 years up to 10 years		Medium	>15% to < 45 % chance of occurrence
1	Low	Once in 10 years		Low	<15 % chance of occurrence

< = Less than

> =More than

Corporate Business Risks

The heat map below summarises the highest residual risks contained on the Corporate Risk Register.

Very High Probability	12 Cuts to School Services	16 Monitoring visit by Estyn results in follow up Failure to Deliver Business Plan Organisational Design, Governance or Legal footing found to be ineffective.
High Probability		12 Non – compliance with Grant Terms and Conditions
	High Impact	Very High Impact

Index and Summary of Residual Business Risk Scores

Central

No.	Risk	Probability	Impact	Residual Risk	Movement	Page
1.1	Powys Estyn Monitoring result in follow up					11
1.2	Ceredigion Estyn Monitoring result in follow up	1	4	4		12
1.3	Pembrokeshire Estyn Monitoring result in follow up					13
1.4	Carmarthenshire Estyn Monitoring result in follow up					14
1.5	Swansea Estyn Monitoring result in follow up					15
1.6	Neath Port Talbot Estyn Monitoring result in follow up					16
2	ERW Estyn Monitoring result in follow up	4	4	16		17
3	Failure to deliver Business Plan	4	4	16		18
4	Org Design, Governance or Legal footing found to be ineffective	4	4	16		19
5	New National Model	3	3	9		20
6	Non-compliance with Grant Terms and Conditions	3	4	12		21
7	ERW Central Team Accommodation	2	3	6		22

Financial

No.	Risk	Probability	Impact	Residual Risk	Movement	Page
1	Timeliness of Welsh Government Funding	3	2	6		17
2	ERW is found to not provide Value for Money	3	3	9		18
3	LA failure to comply with Grant Regulations	2	3	6		19
4	Cuts to School Services	4	3	12		20

Contextualisation

ERW (Education through Regional Working) is one of 4 regional education consortia in Wales. It is an alliance of six local authorities - Carmarthenshire, Ceredigion, Pembrokeshire and Powys, the County Borough of Neath Port Talbot and the City and County of Swansea. The purpose of ERW is to deliver a single, consistent and integrated professional school improvement service for children and young people across the South-West and Mid-Wales region.

ERW works closely with Welsh Government and with the other three regional consortia to deliver national priorities and policies in Wales, such as literacy, numeracy and digital competence, and improving learner outcomes.

The regional education consortia were formally established following the publication of the National Model for School Improvement by Welsh Government in 2014. The National Model is based on a vision of regional school improvement consortia working with and on behalf of local authorities to lead, orchestrate and co-ordinate the improvement in the performance of schools and education of young people. This would be achieved by allowing local authorities to work collaboratively to share good practice, knowledge and skills, build capacity and increase opportunities for constructive challenge and targeted support.

ERW works to communicate, broker and support the development of high performing school networks in order to identify the challenges and establish improvement pathways that lead to success. It seeks to ensure that every school is a good school offering high standards of teaching and good leadership resulting in all learners achieving their maximum potential. This can only be achieved by building school capacity through support, challenge and intervention so that they become self-improving, resilient organisations which continually improve outcomes for learners.

Central Risks

1.1 Estyn Monitoring activity results in follow up for Powys

Description of Risk

Estyn visits result in Powys being placed in follow up / special measures or requiring further attention.

Risk Control Measures

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	2	1	2	
Residual	1	1	1	
Tolerance			TBD	

Risk Owner

Ian Budd (Powys)

1.2 Estyn Monitoring activity results in follow up for Ceredigion

Description of Risk

Estyn visits result in Ceredigion being placed in follow up / special measures or requiring further attention.

Risk Control Measures

Mitigation:

Consolidation of existing strengths in processes and procedures deemed to be successful in the previous Estyn inspection. Many are still relevant in the new Estyn LAES Inspection Framework.

Continue work to improve quality and resilience in senior and middle leadership in secondary schools, particularly where recruitment has been difficult in order to improve intra and inter school variation.

Continue to provide high quality curriculum and leadership support for schools.

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	1	4	4	
Residual	1	4	4	
Tolerance			TBD	

Risk Owner

Meinir Ebbsworth (Ceredigion)

1.3 Estyn Monitoring activity results in follow up for Pembrokeshire

Description of Risk

Estyn visits result in Pembrokeshire being placed in follow up / special measures or requiring further attention.

Risk Control Measures

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent				
Residual				
Tolerance			TBD	

Risk Owner

Kate Evan Hughes (Pembrokeshire)

1.4 Estyn Monitoring activity results in follow up for Carmarthenshire

Description of Risk

Estyn visits result in Carmarthenshire being placed in follow up / special measures or requiring further attention.

Risk Control Measures

- A regular review of core services, considering the data and performance evidence available.
- Effective and constructive partnership working with schools, corporate Council Services, the regional Consortium and other partners who contribute to delivering school improvement and education services.
- Robust and honest self-evaluation, incorporating the views of a range of stakeholders and partners, leading to clear identification of successes and challenges/areas to develop
- Effective appointments and support and training provided to provide a high quality, skilled team of Senior Managers and officers.

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	4	12	
Residual	2	2	4	
Tolerance			TBD	

Risk Owner

Gareth Morgans (Carmarthenshire)

1.5 Estyn Monitoring activity results in follow up for Swansea

Description of Risk

Estyn visits result in Swansea being placed in follow up / special measures or requiring further attention.

Risk Control Measures

- The local authority benefits from strong leadership at all levels, strong partnership with schools and other key agencies and has a good track record of delivering strong outcomes for children and young people.
- Self-evaluation processes are robust and clear priorities are identified in operational plans. Areas of underperformance are identified as early as possible and support and challenge put in place to secure improvements.
- Existing monitoring processes will be further developed to ensure that key strategic priorities, eg foundation phase, wellbeing post 16 provision, school leadership, are addressed.
- Through our ERW partnership, the local authority will continue to secure good standards and overall progress of learners, including specifically raising standards in primary schools and provision for pupils in key stage 4.

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	2	2	4	
Residual	1	2	2	
Tolerance			TBD	

Risk Owner

Nick Williams (Swansea)

1.6 Estyn Monitoring activity results in follow up for Neath Port Talbot

Description of Risk

Estyn visits result in Neath Port Talbot being placed in follow up / special measures or requiring further attention.

Risk Control Measures

- NPT was inspected by Estyn in December 2017 and judged to be good in all inspection areas. NPT will now focus on delivering progress against the four recommendations made.
- The local authority benefits from strong leadership at all levels, strong partnership with schools and other key agencies and has a long, secure track record of delivering strong outcomes for children and young people.
- Business planning processes have been modified to account for the four recommendations and progress will be scrutinised by elected members on a regular basis.
- Self-evaluation processes have been revised to secure improvement and to better inform planning processes. These will continue to be developed in order to identify aspects of underperformance as early as possible.
- Existing monitoring processes will be further developed to ensure that key strategic priorities, eg children's school readiness, post 16 transition, school leadership, are addressed.
- Action has been taken to address the safeguarding issue identified during the inspection and Estyn is satisfied with the progress made in relation to this area.
- Through our ERW partnership, the local authority will continue to secure good standards and overall progress of learners, including specifically raising standards in primary schools and provision for pupils in key stage 4.

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	2	2	4	
Residual	1	2	2	
Tolerance			TBD	

Risk Owner

Aled Evans (Neath Port Talbot)

2. Estyn monitoring activity results in follow up activity for ERW

Description of Risk

Inspection of Region finds less than adequate standards, provision or leadership.

This risk had been identified during the last 24 months and the mitigating actions did not successfully reduce the likelihood of the risk. Therefore, ERW has a judgement of limited progress (Nov 2017) against Recommendation 1 (improvement in Schools Causing Concern, most notably secondaries), from its June 2016 inspection.

The risk has now been compounded by slow progress in making decisions to progress the Review and Reform Programme.

Risk Control Measures

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Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	4	4	16	
Residual	4	4	16	
Tolerance			TBD	

Risk Owner

Lead Chief Executive
Ellen ap Gwynn

3. Failure to deliver Business Plan

Description of Risk

3.1 Insufficient capacity of Central Team and Challenge Adviser Team to deliver Business Plan to high standard.

3.2 Lack of engagement from all LAs consistently

3.3 Failure to meet grant conditions (and subsequent lack of funding)

Central team capacity discussion with LD 14/10/16.

Critical 11/12/17, following reports to JC September 2017 - both ChAd and central team capacity matters have not been tackled, and now are increasingly having an impact on the support given to schools.

HT Questionnaires 2017 + 2018 report significant inconsistency.

No action over 24 months means that position is critical and greater than previously scored.

Risk Control Measures

- Effective planning by Central Team and Lead Chief Executive.
- Capacity to coordinate and facilitate change. position remains same and is critical
- Discuss with all Directors 24/07/15. All agreed capacity and restructure of Central Team. Improved planning and training on key workload issues. Challenge adviser capacity agreed to maintain at full Sept 2015 – this was 58FTE. The region is not at this capacity

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	3	9	
Residual	4	4	16	
Tolerance			TBD	
Additional Measures:				

Risk Owner

Executive Board

4. Organisational Design, Governance or Legal Footing of ERW found to be ineffective.

Description of Risk

Organisational Design, Governance and Legal footing of ERW found to be ineffective at securing consistent improvement across all LAs by Estyn / WAO / WG / Self Evaluation.

Impact on outcomes is clear. Remaining risk is system knowledge by external stakeholders. Action by LA to respond to identified risks in Register.

Estyn follow up report note that the governance structure has hindered progress. December 2017

Challenge and Review meetings with Cabinet Secretary for Education have increased in frequency – meetings took place in December, February, and April.

Following an invitation from the Chair of the Joint Committee when WG raised concerns about financial delegation to Local Authorities and governance, WG are conducting a review of ERW funding arrangements.

Risk Control Measures

- Undertaking Review and Reform Programme

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	4	4	16	
Residual	4	4	16	
Tolerance			TBD	

Risk Owner

Joint Committee, Lead Chief Exec, Section 151, Monitoring Officer

5. ERW unable to meet requirements of New National Model for regional working

Description of Risk

ERW has not fully responded to the April 2014 National Model guidance by WG. (<https://gov.wales/docs/dcells/publications/140217-national-model-for-regional-working-en-v2.pdf>)

The Lead Director and Managing Director are involved in the working group for the New National Model.

Currently, there are many issues that are caused by a lack of capacity to manage the business side of ERW.

Many of the roles have evolved with the growth of ERW with staff undertaking more than one role.

Staff insecurity is heightened at present as ERW may further its non-conformity with the National Model

Risk Control Measures

- Review and Reform Programme

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	3	9	
Residual	3	3	9	
Tolerance			TBD	

Risk Owner

Managing Director, 6 LA Directors, Joint Committee

6. Failure to comply with Grant Conditions from WG

Description of Risk

Due to the heavy reliance on grant funding, ERW's compliance with grant conditions is key.

The region has received two letters from WG outlining the concerns that ERW is not using its "Regional Grants" within the spirit of the terms and conditions.

Following an invitation from the Chair of the Joint Committee when WG raised concerns about financial delegation to Local Authorities and governance, WG are conducting a review of ERW funding arrangements.

Currently ERW does not meet specific criteria within the new Regional Consortia School Improvement Grant.

- Capacity in Central Team to deliver against conditions
- A current valid agreement between Local Authorities regarding distribution
- A signed off Business Plan

Risk Control Measures

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	3	9	
Residual	3	4	12	
Tolerance			TBD	
Additional Measures:				

Risk Owner

Executive Board

7. ERW Central Team Accommodation

Description of Risk

The accommodation available for the ERW Central Team is restrictive and unable to handle the extensive additional responsibilities undertaken - meeting rooms, space to eat away from desks etc. With the appointment of a significant number of Network Leaders of Learning, this stress on the capacity of ERW's accommodation figures to increase drastically. This presents a risk that ERW will not be able to sufficiently carry out its health and safety responsibilities to its staff.

There is a paper being submitted to Joint Committee that outlines the cost efficiency a change of Accommodation can facilitate.

Risk Control Measures

- Re-arranged office layouts to attempt to maximise the space currently available. Created a communal area for staff to meet informally / take lunch breaks so they're not eating at their desks. Flexible working arrangements on offer include working from home.
- Treatment: Currently evaluating alternative prospects for location of ERW Offices that offer more space, but specifications of our requirements (i.e parking, centrally accessible, preferably Carmarthen based) make this a difficult task.

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	2	3	6	
Residual	2	3	6	
Tolerance			TBD	

Risk Owner

Executive Board, Pembrokeshire County Council Chief Executive

Financial Risks

1. Timeliness of WG Funding

Description of Risk

WG Funding may not be timely resulting in underspend at the end of the financial year. 2016-17 commitment from WG to work more effectively with regions and LAs. Financial forward planning with contingency arrangements so that essential implementation is not hindered.

Due to a significant dependence on grants and the use of ERW's reserves, timely receipt of funding is a key cash flow issue.

Risk Control Measures

- A new bi-monthly payment profile has been established with Welsh Government
- Financial forward planning with contingency arrangements so that essential implementation is not hindered.
- Constant communication with WG to improve expectation.
- New Regional Consortia School Improvement Grant

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	3	9	
Residual	3	2	6	
Tolerance			TBD	

Risk Owner

Section 151 Officer

2. ERW is judged to not provide Value for Money

Description of Risk

Measured impact does not reflect value for money on ERW's work outcomes. This can be determined either from the £5.2m core funding, or from various grant funding.

Risk Control Measures

- Comprehensive VFM Framework in place.
- In house monitoring of effectiveness; support in any identified areas of concern.
- VFM monitoring and recommendations from Internal Audit undertaken.
- Annual Governance Statement

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	2	3	6	
Residual	3	3	9	
Tolerance			TBD	
Additional Measures:				

Risk Owner

Managing Director

3. Local Authority failure to comply with Grant Regulations

Description of Risk

Individual LAs fail to comply with Grant Regulations and limited assurance given from other LA's to PCC

Risk Control Measures

Clear agreed financial guidance and procedures.

- Correspondence from Section 151 Officer and Internal Audit to all LA's.
- Assurance for PCC from each LA.
- Improved communication and understanding of roles, responsibilities and risks.
- Training and termly finance officers meeting.

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	3	9	
Residual	2	3	6	
Tolerance			TBD	

Risk Owner

Section 151 Officer, Head of Internal Audit

4. Cuts to school services

Description of Risk

Financial pressures in each LA leading to cuts affecting school services. On-going information and discussion. Impact on capacity and willingness of schools to engage on self-improving system. Further work with HT board to ensure clarity around expectations of HT to collaborate and the remuneration.

Due to the core funding being distributed to LAs, ERW is effectively running 7 services (6 teams of Challenge Advisers) and a Central Team who deliver national programmes. Currently there are other duplicated services in each Local Authority e.g. data

Risk Control Measures

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	4	3	12	
Residual	4	3	12	
Tolerance			TBD	

Risk Owner

Joint Committee

**ERW JOINT COMMITTEE
AGENDA ITEM NO 8
16.7.18**

Supporting / Additional information from ERW Executive Board

Agreed to include greater clarity in report on difference between residual risk / inherent risk.

Agreed to include additional fields to note additional measures where risk scores have increased following attempts to mitigate

Agreed to separate Risk 1 into 6 different risks (1 per LA) and for Directors to agree a risk score for their own Local Authority

Supporting / Additional Information from ERW Advisory Board