



Ein Rhanbarth ar Waith  
Education through Regional Working  
[www.erw.cymru](http://www.erw.cymru)  
[www.erw.wales](http://www.erw.wales)

# Corporate Risk Register (Threats)

## 2018-19

## October 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 Objectives:**

- 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 4, using the probability and impact criteria shown on pages 5 and 6.

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. 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↔. Where there is no arrow icon, this process will commence from the report presented to the next Joint Committee.

The Corporate Risk Register for 2018-19 contains 17 business risks (threats), each of which is indexed at page 8 and 9, and shown in detail on pages 10 to 21.

**Risks are categorised under one of the four following groupings, with each grouping requiring an agreed tolerance level.**

1. Financial Risks - Tolerance Level (tbd)
2. Infrastructural Risks – Tolerance Level (tbd)
3. People and Knowledge Risks – Tolerance Level (tbd)
4. Governance and Compliance – Tolerance Level (tbd)

**Every risk is explained in three steps:**

1. Event
2. Consequence
3. Impact

Draft Pending Joint Committee Approval

# Risk Evaluation Matrix

Threats					
<b>Probability</b>	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
		<b>Impact</b>			

Draft Pending Joint Review

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

< = 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.

<b>Very High Probability</b>	<b>12</b> <b>Cuts to School Budgets</b>	<b>16</b> <b>Failure to comply with Estyn Action Plan</b>
<b>High Probability</b>		<b>12</b> <b>Non – compliance with Grant Terms and Conditions</b>
	<b>High Impact</b>	<b>Very High Impact</b>

## 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	1	4	4		11
1.2	Ceredigion Estyn Monitoring result in follow up	1	4	4		12
1.3	Pembrokeshire Estyn Monitoring result in follow up	2	4	8		13
1.4	Carmarthenshire Estyn Monitoring result in follow up	2	4	8		14
1.5	Swansea Estyn Monitoring result in follow up	1	4	4		15
1.6	Neath Port Talbot Estyn Monitoring result in follow up	1	4	4		16
2	Failure to comply with Estyn Action Plan	4	4	16		17
3	Failure to deliver Business Plan	3	3	9		18
4	ERW Governance	2	4	8		19
5	Deliver National Mission	3	3	9		20
6	Non-compliance with Grant Terms and Conditions	3	4	12		21
7	ERW Central Team Accommodation	1	3	3		22
8	Data Protection	2	4	8		23



## Financial

No.	Risk	Probability	Impact	Residual Risk	Movement	Page
1	Timeliness of Welsh Government Funding	2	3	6		24
2	ERW is found to not provide Value for Money	2	4	8		25
3	LA failure to comply with Grant Regulations	2	4	8		26
4	Cuts to School Services	4	3	12		27

# 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.

Our Objectives:

- 1. Developing a high-quality education profession**
- 2. Inspirational Leaders working collaboratively to raise standards**
- 3. Strong and inclusive schools committed to excellence, equity and well-being**
- 4. Robust assessment, evaluation and accountability arrangements supporting a self-improving system**

## 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.

#### Background

Objectives at Risk : All

#### Risk Control Measures

#### Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	2	4	8	
Residual	1	4	4	
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.

### Background

**Objectives at Risk :** All

### Risk Control Measures

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 Local Authority Education Service Inspection Framework.

Continue work to improve quality, resilience and impact of senior and middle leadership in 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, in particular in core subject areas in specific secondary 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.

#### Background

Pembrokeshire has had two improvement conferences undertaken by Estyn. It is unlikely that there will be an inspection until 12 months after last conference.

**Objectives at Risk :** All

#### Risk Control Measures

Consolidation of existing strengths in processes and procedures deemed to be appropriate at improvement conferences.

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 outcomes.

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)	↑↓↔
<b>Inherent</b>	<b>3</b>	<b>4</b>	<b>12</b>	
<b>Residual</b>	<b>2</b>	<b>4</b>	<b>8</b>	
<b>Tolerance</b>			<b>TBD</b>	

#### 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.

### Background

**Objectives at Risk :** All

### Risk Control Measures

- A regular review of core services, to determine whether outcomes are being achieved and where potential issues may be arising.
- Effective business function evaluation and monitoring in place as part of regular Directorate Team meetings with overview of risk register, financial planning, outcomes measurement etc.
- 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 Business Plans identifying successes and challenges/areas to develop.
- Service and Business Plan development put in place in order to ensure most effective use of resources across services and with partners in order to achieve excellent outcomes for our children and young people.
- Ensure that there is clarity in terms of vision and staff role and remit in their work towards achieving this vision.
- Effective Performance reporting in place throughout the directorate.
- 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)	↑↓↔
<b>Inherent</b>	<b>3</b>	<b>4</b>	<b>12</b>	
<b>Residual</b>	<b>2</b>	<b>4</b>	<b>8</b>	
<b>Tolerance</b>			<b>TBD</b>	

### 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.

### Background

**Objectives at Risk : All**

### 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	4	8	
Residual	1	4	4	
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.

### Background

- 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.

### Objectives All: All

### Risk Control Measures

- 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)	↑↓↔
<b>Inherent</b>	<b>2</b>	<b>4</b>	<b>8</b>	
<b>Residual</b>	<b>1</b>	<b>4</b>	<b>4</b>	
<b>Tolerance</b>			<b>TBD</b>	

### Risk Owner

Aled Evans (Neath Port Talbot)



## 2. [Failure to comply with Estyn Action Plan](#)

### Description of Risk

Inspection/ Visit of Region finds less than adequate progress on any recommendation thus resulting in further follow up activity for ERW.

### Background

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, which is cited in the 2017 Estyn Report as cause for possible governance improvements which could in turn impact ERW's ability to respond to recommendations.

### Objectives at Risk : All

### Risk Control Measures

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### Risk Scores

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

### Risk Owner

ERW Managing Director, Lead Director and Lead Chief Executive

### 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)

All 3 of the above risks contributing to a failure on ERW's behalf to deliver the Business Plan, and subsequently risk a clawback in funding and adverse effect on schools.

#### Background

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. Permanent posts in Central Team discussed at July 2018 Joint Committee but deferred pending discussion by the HR Group.

HT Questionnaires 2017 + 2018 report significant inconsistency.

**Objectives at Risk :** All

#### Risk Control Measures

- Effective planning by Central Team, Lead Director and Lead Chief Executive.
- Ongoing dialogue with Welsh Government

#### Risk Scores

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

#### Risk Owner

Managing Director, Lead Director

## 4. ERW Governance

### Description of Risk

Organisational Design, Governance or Legal footing of ERW found to be ineffective at securing consistent improvement across all LAs by Estyn / WAO / WG / Self Evaluation, This then resulting in action by the inspectorate, or clawback of funds from WG.

### Background

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. This has now been expanded into a review of all regions.

**Objectives at Risk:** All

### Risk Control Measures

- Undertaking Review and Reform Programme
- Meetings of Chief Execs in September – discussions progressing
- Geraint Rees appointed to assist

### Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
<b>Inherent</b>	<b>3</b>	<b>4</b>	<b>12</b>	↓
<b>Residual</b>	<b>2</b>	<b>4</b>	<b>8</b>	
<b>Tolerance</b>			<b>TBD</b>	

### Risk Owner

Lead Chief Exec, Section 151 Officer, Monitoring Officer, Lead Director, Managing Director

## 5. ERW unable to deliver National Mission

### Description of Risk

ERW fails to deliver Welsh Government's National Mission. Subsequently, WG could tie funding conditions to this delivery, risking grant clawback.

### Background

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, increasing the risk of insufficient capacity to deliver the National Mission.

It should be noted that elements of the National Mission fall outside ERW's responsibility, and this risk is directed at the elements that fall inside ERW's scope of responsibility.

**Objectives at Risk:** All

### Risk Control Measures

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

### Risk Scores

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

### Risk Owner

Managing Director, 6 LA Directors, Joint Committee

## 6. Failure to comply with Grant Conditions from WG

### Description of Risk

ERW fails to comply with Welsh Government Grant Conditions, resulting in the withholding or clawback of funding, and adversely affecting the region's School Improvement service.

### Background

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.

ERW has received a revised Grant Offer Letter for the Regional Consortia School Improvement Grant which contains additional conditions which are to be met before funding is released for the remaining 7/12ths of funding – urgent actions are required for this funding to be released.

**Objectives at Risk:** All

### Risk Control Measures

- Central Team and Senior Challenge Advisers commissioned to provide additional Business Plan Details
- Ongoing dialogue with Welsh Government

### Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
<b>Inherent</b>	<b>4</b>	<b>4</b>	<b>16</b>	↑
<b>Residual</b>	<b>3</b>	<b>4</b>	<b>12</b>	
<b>Tolerance</b>			<b>TBD</b>	

### Risk Owner

Lead Director, Managing Director, Lead Chief Executive, Section 151 Officer

## 7. ERW Central Team Accommodation

### Description of Risk

ERW's accommodation fails to safely house all Central Team staff, and presents health and safety issues. This in turn could have a detrimental effect on the service, and on the wellbeing of ERW staff.

### Background

As of the last Joint Committee, Lead Officers were tasked to mitigate any Health and Safety issues that may arise at the ERW Central Team's current accommodation. The remaining risk around procurement of DDA compliant furniture/seating for staff is being mitigated.

**Objectives at Risk:** All

### Risk Control Measures

- Audit of specialist furniture/seating requirements being undertaken
- Local Authorities to be contacted to source any spare equipment they can provide

### Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
<b>Inherent</b>	<b>2</b>	<b>3</b>	<b>6</b>	↓
<b>Residual</b>	<b>1</b>	<b>3</b>	<b>3</b>	
<b>Tolerance</b>				

### Risk Owner

Executive Board, Pembrokeshire County Council Chief Executive

## 8. [Data Protection](#)

### Description of Risk

ERW fails to comply with GDPR Regulations.

### Background

Currently ERW does not have a designated Data Protection Officer which is a requirement of General Data Protection Regulations as of May 2018.

**Objectives at Risk:** All

### Risk Control Measures

ERW has taken pro-active steps to prepare staff for GDPR, including awareness seminars at ERW Central Team Training. However, the absence of a dedicated DPO remains a concern.

Some of this risk is mitigated by the Local Authorities employing their own DPOs for schools respectively.

Executive Board 21.9.18 agreed an interim measure of the Managing Director being named DPO, with a view of appointing a Business and Finance Manager for ERW and naming them DPO once appointed and sufficiently trained.

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
<b>Inherent</b>	<b>3</b>	<b>4</b>	<b>12</b>	
<b>Residual</b>	<b>2</b>	<b>4</b>	<b>8</b>	
<b>Tolerance</b>			<b>TBD</b>	

### Risk Owner

Managing Director, Lead Chief Executive, Lead Director

## Financial Risks

### 1. Timeliness of WG Funding

#### Description of Risk

WG Funding may not be timely resulting in underspend or an inability to spend at the end of the financial year.

#### Background

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.

Other regions report that bi-monthly payments for 18-19 financial year have been on time. The issue surrounding receiving money from Welsh Government is now ERW's ability to meet grant terms and conditions, which is represented in other risks within the register

**Objectives at Risk:** All

#### 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)	↑↓↔
<b>Inherent</b>	<b>3</b>	<b>3</b>	<b>9</b>	↔
<b>Residual</b>	<b>2</b>	<b>3</b>	<b>6</b>	
<b>Tolerance</b>			<b>TBD</b>	

#### Risk Owner

Section 151 Officer, Lead Banker Authority



## 2. ERW is judged to not provide Value for Money

### Description of Risk

Failure to ensure value for money in future years results in action from Estyn, reputational damage, or a reduction in grant funding.

### Background

In ERW's 2017 Estyn Report, it is stated:

"Senior leaders understand that the current organisational design constrains ERW's ability to deliver value for money"

"ERW is also judged to make "satisfactory" progress only when addressing:

Recommendation 4: Refine the framework for assessing value for money so that all relevant costs across the six authorities are taken into account fully when set against outcome."

**Objectives at Risk:** All

### 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)	↑↓↔
<b>Inherent</b>	<b>3</b>	<b>4</b>	<b>12</b>	↑
<b>Residual</b>	<b>2</b>	<b>4</b>	<b>8</b>	
<b>Tolerance</b>			<b>TBD</b>	

### 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, resulting in clawback of funding,

**Objectives at Risk:** All

#### **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
	<b>(a)</b>	<b>(b)</b>	<b>(a) X (b)</b>	↑↓↔
<b>Inherent</b>	<b>3</b>	<b>4</b>	<b>12</b>	
<b>Residual</b>	<b>2</b>	<b>4</b>	<b>8</b>	
<b>Tolerance</b>			<b>TBD</b>	

#### **Risk Owner**

LA Section 151 Officers, Head of Internal Audit,

## 4. Real Term Cuts to school budgets

### Description of Risk

Further cuts to school services and reductions of quantum in Welsh Government funding, which in turn have an effect on service capacity, and therefore outcomes in schools.

### Background

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. 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

The EIG, which is now an element of the Regional Consortia School Improvement Grant, has seen an 11% cut for the 18-19 financial year.

**Objectives at Risk:** All

### Risk Control Measures

Further work with HT board to ensure clarity around expectations of HT to collaborate and the remuneration.

### Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
<b>Inherent</b>	<b>4</b>	<b>4</b>	<b>16</b>	
<b>Residual</b>	<b>4</b>	<b>3</b>	<b>12</b>	
<b>Tolerance</b>			<b>TBD</b>	

### Risk Owner

Managing Director, Lead Director, All 6 LA Directors, Section 151 Officer, Lead Chief Executive.

**ERW JOINT COMMITTEE**  
**12.10.18**

**Supporting / Additional information from ERW Executive Board**

**All LA Risks to have Impact re-scored at 4**  
**Risk 5 to be reworded to discuss National Mission not National Model**  
**Risk 8 for Data Protection given a scoring of 8**

**Needs to be noted that risks 2 and 3 will be subject to changes in the coming few weeks.**

**Supporting / Additional Information from ERW Advisory Board**