



ERW

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

Corporate Risk Register (Threats)

2020-2021

For Joint Committee February 2021

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 6
2. Infrastructure Risks – Tolerance Level 8
3. People and Knowledge Risks – Tolerance Level 9
4. Governance and Compliance – Tolerance Level 4

Every risk is explained in three steps:

1. Event
2. Consequence
3. Impact

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	<p style="text-align: center;">12</p> <ul style="list-style-type: none"> • Cuts to School Budgets 	
High Probability		<p style="text-align: center;">12</p> <ul style="list-style-type: none"> • ERW Governance
	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 results in continued follow up	2	4	8	↔	13
1.2	Ceredigion Estyn Monitoring result in follow up	1	4	4	↔	14
1.3	Pembrokeshire Estyn Monitoring result in follow up	2	4	8	↔	15
1.4	Carmarthenshire Estyn Monitoring result in follow up	1	4	4	↔	16
1.5	Swansea Estyn Monitoring result in follow up	1	4	4	↔	17
2	Failure to comply with Estyn Action Plan	2	4	8	↔	18
3	Failure to deliver Business Plan	2	2	4	↔	19
4	ERW Governance	3	4	12	↔	20
5	Data Protection	3	2	6	↔	21
6	ERW found not to provide Value for Money	2	3	6	↔	22
7	LA Failure to comply with Grant Regulations	2	3	6	↔	23
8	Failure to respond to qualifications 2021	2	3	6	↔	24

Financial

No.	Risk	Probability	Impact	Residual Risk	Movement	Page
1	Timeliness of Welsh Government Funding	2	3	6	↔	25
2	Cuts to School Budgets	4	3	12	↔	26
3	Delivery of National Mission	2	3	6	↔	27
4	Cost Savings Required by Welsh Government	1	4	4	↔	28

Review and Reform

No.	Risk	Probability	Impact	Residual Risk	Movement	Page
1.	Lack of Clarity on functions	2	2	4	↔	29
2.	Lack of Communication	2	2	4	↔	30
3.	Transparency of Governance	2	3	6	↔	31

Impact of Covid-19

No.	Risk	Probability	Impact	Residual Risk	Movement	Page
1.	Failure to respond to impact of Covid-19	2	3	6	↔	32

Contextualisation

ERW (Education through Regional Working) is one of 4 regional education consortia in Wales. It is an alliance of five local authorities - Carmarthenshire, Ceredigion, Pembrokeshire and Powys 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**

ERW's VALUES:

To achieve our vision, we have defined values to guide all we do at ERW. These include:

- *Effectiveness*
- *Commitment*
- *Integrity*
- *Innovation*
- *Collaboration*

ERW utilises a wide range of flexible approaches so that bespoke solutions can be used to support schools at their point of need. We support teachers through the provision and brokering of professional learning programmes to support individuals in their leadership journey whilst building expertise and capacity where and when it is needed in schools across the region.

3.0 ERW Governance, Scrutiny and Accountability:

ERW is governed by a legally constituted Joint Committee whose membership is made up of the local authority Leaders in South-West and Mid-Wales.

ERW's Joint Committee is advised by the Executive Board which is made up of the five local authority Directors of Education in the region along with external school improvement experts, head teacher representatives and ERW's Managing Director.

The Executive Board is responsible for monitoring and evaluating ERW's work, in particular through the work of the ERW Strategy Groups.

The ERW Strategy Groups are a critical aspect of ERW's governance arrangements. They are the primary driver for developing ERW's work in the key areas of:

- *Professional Learning and Research*
- *Leadership*
- *Curriculum*
- *Digital Skills*
- *Equity and Wellbeing*
- *Welsh*

Each Strategy Group will be responsible for monitoring the progress of the aspect of Business Plan actions for which they are responsible. They will also be responsible for co-constructing content in the following year's Business Plan.

While it is accepted that the context and setting of each Local Authority in ERW is different, the purpose of collaborating on a regional level is to achieve a greater scale of economy through co-operation. Whilst changes and innovations can be incorporated to take into account local priorities or differences, there must remain a degree of regional consistency.

The ERW Strategy Groups are a conduit for communication between the region and peers within the constituent Local Authority, and the wider profession. Group members are tasked with communicating their work externally, by using both local and regional communications channels.

The ERW Scrutiny Councillor Group meets with ERW officers on a quarterly basis and provides written feedback on its findings to the Joint-Committee. ERW officers attend local authority scrutiny sessions on a regular basis, providing updates and reports on the progress of the ERW Business Plan.

Central Risks

1.1 Estyn Monitoring activity results in continued follow up for Powys later than November 2021.(Governance and Compliance)

Description of Risk

Estyn follow up visits result in Powys continuing to be placed in category or requiring further attention.

Background

Powys was subject to an Estyn improvement conference in 2016 and 2017 primarily because the Authority had too many secondary schools in Estyn follow up

Powys received notice that they were to be inspected in July 2019. They were judged to be causing significant concern and requiring follow-up activity. The local authority has updated its improvement plans to show how it is going to address the recommendations. Estyn have reviewed the authority's progress through a post-inspection improvement conference and progress conferences on Nov 28th. Estyn were reassured that all 4 progress criteria were being met sufficiently.

As Powys has developed their response and action plan following the inspection the scoring of this risk can manifest.

Objectives at Risk: All

Risk Control Measures

Collaboration with numerous regional programmes surrounding Leadership – Secondary Support Team being a good example

Local Mitigation – PIAP agreed, WG Improvement and Assurance Board, Scrutiny arrangements. Monthly meeting with all Political party leaders in the authority. Transformation Board established. Transformation Delivery Board established. Regular updates for Cabinet to ensure sufficient progress.

Risk Scores:

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	4	4	16	↔
Residual	2	4	8	↔
Tolerance			4	

Risk Owner

Lynette Lovell (Powys)

1.2 Estyn Monitoring activity results in follow up for Ceredigion (Governance and Compliance)

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			4	

Risk Owner

Meinir Ebbsworth (Ceredigion)

1.3 Estyn Monitoring activity results in follow up for Pembrokeshire lasting longer than July 2022.

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. Pembrokeshire has received notice that they will be inspected by Estyn on the 2nd of December.

Pembrokeshire's inspection report was published on the 12th of February. Following publication, Pembrokeshire local government education services have been deemed as causing significant concern, and requiring follow up activity. Pembrokeshire

Objectives at Risk : All

Risk Control Measures

The Local Authority will update its improvement plan, to show how it is going to address the 4 recommendations made. The Local Authority will have a Post Inspection Action Plan Improvement Conference, and progress conferences. Monitoring visit will take place July 2022.

Local Mitigation – PIAP agreed, WG Improvement and Assurance Board, Scrutiny arrangements. Monthly meeting with all Political party leaders in the authority. Transformation Board established. Transformation Delivery Board established. Regular updates for Cabinet to ensure sufficient progress.

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	4	4	16	↔
Residual	2	4	8	↔
Tolerance			4	

Risk Owner

Steven Richards Downes (Pembrokeshire)

1.4 Estyn Monitoring activity results in follow up for Carmarthenshire (Governance and Compliance)

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

- Ensure that there is clarity in terms of vision and staff role and remit in their work towards achieving this vision.
- Effective appointments and support and training provided to provide a high quality, skilled team of Senior Managers and officers.
- 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, 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.
- Effective Performance Management and performance reporting in place throughout the directorate.

Risk Scores

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

Risk Owner

Gareth Morgans (Carmarthenshire)

1.5 Estyn Monitoring activity results in follow up for Swansea (Governance and Compliance)

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			4	

Risk Owner

Nick Williams (Swansea)

2. Failure to comply with Estyn Action Plan (Governance and Compliance)

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

ERW received a judgement of limited progress (Nov 2017) against Recommendation 1 (improvement in Schools Causing Concern, most notably secondaries), from its June 2016 inspection.

Following positive feedback from the Estyn team in 2019 over 2 visits, and the re-structure of the ERW Central Team to include a regional resource for secondary leadership, there was sufficient cause to de-escalate the probability of this risk.

However, as of the 2020-21 Academic Year the future of a regionally deployed support resource for Secondary school leadership is uncertain. Should this capacity be removed from the system, this risk will require re-evaluation.

Objectives at Risk : All

Risk Control Measures

- Schools Performance Team now meets regularly with each Principal Challenge Adviser individually to discuss early warning signs for schools, increasing chances of prevention and administering additional support where needed
- Renewed capacity within the ERW Secondary Subject Specialist Team
- ERW officers to support LA staff in targeted schools/departments

Risk Scores

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

Risk Owner

Interim Chief Officers, Lead Director and Lead Chief Executive

3. Failure to deliver Business Plan (Governance and Compliance)

Description of Risk

Delivery of Business Plan fails to meet the satisfaction of Welsh Government/WAO/Estyn.

Background

Monitoring systems and exception reporting were in place for the 2019-20 Business Plan. All Strategic Groups have supported the formation of 2020-21 Business Plan in an effective manner.

Indicative funding has been received for 2020-21 and budget setting exercises have been implemented working towards a costed Business Plan.

Objectives at Risk : All

Risk Control Measures

- Ongoing dialogue with Welsh Government and other monitoring bodies
- BP aligned to National Mission document
- Established Strategy Groups will continue to support and monitor progress of the 2020-21 Business Plan

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	2	3	6	↔
Residual	2	2	4	↔
Tolerance			4	

Risk Owner

Interim Chief Officers, Lead Director

4. ERW Governance (Governance and Compliance)

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, or to not be fit for organisational purpose. 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. Paper submitted to Autumn, 2019 Joint Committee surrounding revised Governance of ERW to support the new structure. Paper deferred, and requires clarification of financial delegation arrangements at all levels of the structure.

Notable factor: The Executive Board did not meet regularly in the 19-20 Academic Year. This can present significant risks with the Board containing several key stakeholders including – WG, Estyn, and Headteacher Board representatives.

Several Internal Audit Recommendations around changes to ERW's Governance, and updating of the Legal Agreement, remain outstanding and have been highlighted within the most recent audit report.

Objectives at Risk: All

Risk Control Measures

- Ian Altman and Greg Morgan appointed as joint Interim Chief Officers, September 2020
- Revised Governance document is a current agenda item for Executive Board and Joint Committee

Risk Scores

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

Risk Owners: Lead Chief Exec, Section 151 Officer, Monitoring Officer, Lead Director, Interim Chief Officer

5.Data Protection (Governance and Compliance)

Description of Risk

ERW fails to comply with the Data Protection Act 2018, resulting in action from the ICO.

Background

Currently ERW does not have a clearly 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.

This responsibility has been transferred to the Interim Chief Officers.

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	4	12	↔
Residual	2	3	6	↔
Tolerance			4	

Risk Owner

Interim Chief Officers, Lead Chief Executive, Lead Director

6. ERW is judged to not provide Value for Money (Governance and Compliance)

Description of Risk

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”

The revised ERW model is now in place, however efficiencies and full increase of funding to frontline services were not implemented until the 2020-2021 business year. Should this structure change further, the scoring of this risk will need to be revisited.

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
- Proposed financial efficiencies in the revised ERW Model.

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	4	12	↔
Residual	2	3	6	↔
Tolerance			6	

Risk Owner

Interim Chief Officers, Section 151 Officer, Principal Accountant, Lead Director

7. Local Authority failure to comply with Grant Regulations (Governance and Compliance)

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

- Correspondence from Section 151 Officer and Internal Audit to all LAs.
- Assurance for PCC from each LA.
- Improved communication and understanding of roles, responsibilities and risks.
- Training and termly finance officers meeting.
- LA Local Delivery Plans sent to ERW Finance Team as costed documents

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	4	12	↔
Residual	2	3	6	↔
Tolerance			6	

Risk Owner

LA Section 151 Officers, Head of Internal Audit

8. Failure to respond to changes in process of awarding qualifications in summer 2021

Description of Risk

That the changes to arrangements for awarding qualifications in summer 2021 will not be responded to effectively by ERW officers in the Secondary Team.

Background

Due to Covid-19 and the external examinations were not sat in summer 2020 and centres were asked to develop Centre Assessed Grades (CAGs) as well as complete a rank order for all WJEC qualifications. ERW central team had dialogue with a limited number of middle leaders regarding the range of appropriate evidence to complete this process. They did not, however, advise on any individual learner or take part in the process itself.

A standardisation process was developed by WJEC based on a range of criteria. However, eventually all learners in Wales were awarded their CAG or standardised grade, whichever was the higher.

Adaptations in specifications were initially put in place for learners in examination years and the Design and Delivery Group developed further changes to assessment in 2021. These were announced in December 2020. However, in the light of further lost face to face learning time in December and January, further adaptations have been recommended in January 2021. ERW Secondary team will support schools in developing appropriate evidence in line with specific courses/qualifications as required.

Impact of Risk:

- Negative impact on learner outcomes across the region
- Lack of consistency in approach across the LAs
- Challenges regarding subjects with no secondary officer employed centrally

Risk Control Measures

- Network meetings and additional training to support most recent adaptations
- Agendas developed to ensure consistent approach across the LAs
- Improved communication between WJEC and Headteacher groups
- Challenge Adviser training where appropriate
- Lead schools developed in key subject areas where appropriate

Risk Scores:

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	4	4	16	↔
Residual	2	3	6	↔
Tolerance			4	

Risk Owner

Interim Chief Officers, Directors of Education

Financial Risks

1. Timeliness of WG Funding (Financial Risk)

Description of Risk

WG Funding may not be timely, resulting in underspend, lateness of planning, 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. This issue has largely been resolved through a quarterly payment profile of the RCSIG. WG have also moved to a quarterly payment profile of the PDG.

The key issue for ERW regarding this risk, is the need to receive indicative grant funding before the beginning of the financial year, so that Business Planning can take funding streams into account at the beginning of the process. Conversation around the future footprint of ERW, or any replacement, will mean it is unlikely that indicative funding will be received prior to the financial year 2021-22.

In-year variation funding from WG does occasionally materialise, sometimes as late as February (as happened in 18-19). In 2019-20 a variation letter was received in April resulting in ERW not being able to utilise this funding. This late arrival of funding is a contributing factor to this risk.

Objectives at Risk: All

Risk Control Measures

- A quarterly 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, and to improve timeliness of in-year funding.

Risk Scores

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

Risk Owner

Section 151 Officer, Lead Banker Authority and Principal Accountant

2. Real Term Cuts to school/education budgets (Financial Risk)

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. This would then have a further impact on capacity and willingness of schools to engage in the self-improving system

Local Government 20-21 budgets and the Teachers Pay Award also present significant risks. Other risks that were noted by the ERW Headteacher Representative Board were the rise in teacher pensions, as well as the permanence of the new Professional Learning Funding. Local Government 2020-2021 settlement reported to be higher than initial expectations.

Professional Learning grant has been reduced for 2020-21 due to WG savings as part of their response to the Covid-19 pandemic.

Objectives at Risk: All

Risk Control Measures

Further work with HT board to ensure clarity around expectations of HT to collaborate and the remuneration. Maximising of delegated funding to schools wherever possible.

The new WG funding stream for schools, dedicated to Professional Learning is aimed at reducing the impact of this risk.

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	4	4	16	↔
Residual	4	3	12	↔
Tolerance			6	

Risk Owner

Interim Chief Officers, Lead Director, LA Directors, Section 151 Officer, Principal Accountant, Lead Chief Executive.

3. ERW unable to deliver National Mission (Financial Risk)

Description of Risk

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

Background

With the ERW Review and Reform programme having delivered a new regional structure with increased capacity, this risk can be scored lower as ERW can now better work towards the aim of the National Mission. Once the impact of this model can be measured, a case can be made for the removal of this risk. However, further changes to model may lead to a rescoring.

Changes made to the model in 2019-20 and the decision not to recruit for a number of posts in 2020-21 has the potential to increase the risk in this area where resource and capacity becomes an issue.

Objectives at Risk: All

Risk Control Measures

- ERW Review and Reform Programme has delivered new structure, positively received by Estyn. (Meilyr Rowlands letter 28.06.2019)
- Aligning of ERW Business Plan to National Mission document

Risk Scores

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

Risk Owner

LA Directors, Joint Committee, Interim Chief Officers

4. Cost Savings Required by Welsh Government (Financial Risk)

Description of Risk

WG have imposed a 3% savings target on the Consortia based on the total value of the RCSIG which equates to £1.06m in order to assist with funding the WG response to the Covid-19 pandemic. As the climate remains uncertain with the pandemic, it may be that the consortia is asked to make further savings if, for example schools are closed again.

Background

£1.06m of savings have been made in 2020-21 from the budgets of the strategy groups. Salaries and funding to schools was protected. The PDG was also protected. The EIG has been allocated and budgets communicated with ERW Officers for the year. Any further savings required due to the pandemic would hinder the organisations ability to deliver on the business plan and the national mission.

Although WG stated in April 2020 that they do not expect any further savings to be required by the consortia for 2020-21, we are dealing with uncertainty in this area as the pandemic continues. The 3% was based on schools being closed for the Summer Term however ERW continued to provide remote/digital support. Plans for the remainder of the year are based on a blended support plan of face to face where required and able, and through digital platforms. As such, any further cuts to the budgets would be difficult to deliver. Failure to meet the existing 3% savings target from WG or any in-year savings targets will result in clawback from Local Authorities leading to an impact on school budgets.

Objectives at Risk: All

Risk Control Measures

- Ongoing dialogue with Welsh Government
- Monthly budget meetings to ensure any over/under spends are addressed timely.

Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	1	4	4	↔
Residual	1	4	4	↔
Tolerance			6	

Risk Owner

Lead Director, Interim Chief Officers, Lead Chief Executive, Section 151 Officer and Principal Accountant

Review and Reform

1. Lack of clarity on ERW's functions

Description of Risk

That the revised ERW structure does not bring sufficient clarity on the function of ERW and its central team. Ongoing discussions with regard to the future ERW Footprint impact on the ability to clarify functions and services.

Background

Despite thorough stakeholder engagement during the creation of the revised ERW structure (2018-2019 academic year) and work undertaken during the Autumn Term, 2019 to communicate and clarify the ERW's function to all stakeholders, recent developments with regard to the future ERW footprint could cause a significant impact on the perception of ERW within the education sector.

Impact of Risk:

- Unwillingness of schools to engage with ERW as a result of legacy perceptions
- Lack of clarity on the difference between the role of the LA, and the role of the region, among the teaching community
- Lack of confidence in the revised structure along with loss of trust within the profession

Risk Control Measures

- Ongoing and effective communications provided by the ERW Team on a weekly basis
- Communications Strategy group established centrally with membership linked to all areas of the BP.
- Consistent and ongoing dialogue is being undertaken with LA partners to ensure consistency of communication through both regional and local channels

Risk Scores:

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	2	3	6	↔
Residual	2	2	4	↔
Tolerance			4	

Risk Owner

Joint Committee, Lead Director, Interim Chief Officers

2. Lack of communication and clarity of roles between LA and ERW staff

Description of Risk

Insufficient communication and clarity between LA and ERW staff leads to conflicting messages reaching schools

Background

Addition curriculum support or other roles according to their need and priority areas may need to be employed e.g. with less than 2fte staff members for Secondary English support across the region, a LA may wish to 'top up' locally. The linguistic needs and nature of each LA are different. The current ERW specialist capacity is unable to guarantee that the linguistic needs of all Local Authorities can be met.

With clarity, LA and ERW staff could complement each other and add value but it is imperative that communication channels are robust and that clear protocols are in place.

Impact of Risk:

- Reinforcement of the narrative that there are “too many layers”
- Raising questions surrounding value for money
- Lack of clarity for schools on what advice to follow
- Local Authorities being perceived as “not buying in” to the new ERW function

Risk Control Measures

- Consistent two-way communication between local resources supporting the new curriculum, and the regional body
- Join-up of work and personnel wherever possible
- Use of local arrangements to cascade the regional message
- Membership of Regional Strategy Groups to contain all 5 constituent LAs
- Brokerage pathway protocol has been agreed at Director Level

Risk Scores:

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	3	9	↔
Residual	2	2	4	↔
Tolerance			4	

Risk Owner

Lead Chief Executive, Interim Chief Officers, Directors of Education, Lead Director

3. Failure to improve transparency through governance arrangements

Description of Risk

That the changes to ERW's operational governance arrangements do not increase transparency / confidence of the profession.

Background

ERW has adopted some enhanced strategic meetings which include a variety of key stakeholders in the decision making process. The main aim of this change is that there is increased transparency around decision making and allocation of funding. Should these strategic meetings fail to improve transparency, there will be significant adverse effects.

The revised Governance Structure document was deferred by the Joint Committee. Strategy Groups were signed off by the Joint Committee in December 2019 Joint Committee. Further elements of the structure are now impacted upon by the ERW Footprint agenda.

The Executive Board has not met regularly during the 19-20 Academic Year with stakeholders including WG, Estyn and Headteacher Board representatives.

All budget holders meet regularly with Principal Accountant and have an allocated budget to discuss in conjunction with the strategy groups. These groups will be reconvened in autumn 2020 and monitor the BP using the monitoring and evaluation spreadsheet.

Impact of Risk:

- Loss of confidence from regulatory bodies
- Loss of trust with the teaching profession and constituent LAs
- Increased tensions within the context of funding for education
- Challenges regarding value for money

Risk Control Measures

- Consistent Terms of Reference for all Strategy Groups
- Clear lines of reporting for all groups
- Director Group oversight of decisions made and approval of any decisions that require it
- Potential publishing of delegated decisions on ERW website.
- Directors receive monthly updates of ERW funding to schools

Risk Scores:

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	4	4	16	↔
Residual	2	3	6	↔
Tolerance			4	

Risk Owner

Lead Chief Executive, Interim Chief Officers, Directors of Education, Principal Accountant

Impact of Covid-19

1. Failure to respond to the impact of Covid-19

Description of Risk

That ERW will not respond in an agile and appropriate manner to the impact of Covid-19 on the organisation and school support.

Background

Covid-19 has impacted on the way the organisation has worked since March 2020. Initially, there was a focus on supporting the national Continuity of Learning plan and developing a response linked to distance and then blended learning.

Schools and settings reopened fully from Sept 14th onwards. However, the impact of Covid-19 meant that there were partial closures as well as staff and pupils self-isolating in the autumn term.

Further loss of learning at the end of the autumn term and January has required a focus, once again, on remote learning.

Impact of Risk:

- Failure to deliver all aspects of the Business Plan
- Lack of effective support for distance and blended learning in schools
- Loss of trust with the teaching profession and constituent LAs

Risk Control Measures:

- Teams repurposed to ensure focus on key areas at risk
- Agile response when planning and delivering support for schools e.g. amending PL offer to ensure high quality delivery online
- Engage with all stakeholders to align key messages and share strong practice
- Playlists and resources to support remote synchronous and asynchronous learning.

Risk Scores:

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	4	4	16	↔
Residual	2	3	6	↔
Tolerance			4	

Risk Owner

Interim Chief Officers, SLT, Central Team