

| Ref   | Area   | Background information   | Actual Risk   | Mitigation actions - what we are doing to reduce the risk and by when. Have we considered the five ways of working to help with a solution? (see ICLIP key)  | Additional Resources Required | Risk Level 2017-18 Q4 | Risk Level 2018-19 Q1 | Comments from latest risk review  | Does this effect the Well-being of Future Generations in our Communities?   | Long term (20-25 years) / medium / or short-term risk | FGA Risk Level | Risk Owner                     |
|-------|--|--|---|--|-------------------------------|-----------------------|-----------------------|---|---|---|----------------|--------------------------------|
| CMT01 | Medium Term Financial Planning (MTFP):<br><br>MTFP Strategy 2018/23<br><br>Capital Budget Pressures<br><br>Grant Funding | Budget pressures will potentially have a negative effect on service delivery across all services.<br><br>Inadequate funds to maintain assets. Need to rationalise.   | <ol style="list-style-type: none"> <li>1. Workforce Planning: less staff to deliver services.</li> <li>2. Failure to maintain and/or improve service delivery.</li> <li>3. Failure to take early decisions on which services should be cut could limit planning for changes.</li> <li>4. Managing staff morale in light of cuts.</li> <li>5. Revenue Support Grant (RSG) formula change.</li> <li>6. National living wage.</li> <li>7. Member/public expectation levels and reputation risk.</li> <li>8. CCBC priorities moving forward.</li> <li>9. National and Regional change agenda.</li> <li>10. Inability to invest in assets e.g. progress 'Band B' of the 21st Century Schools Programme.</li> <li>11. There is lack of security or sustainability in maintaining grant funded programmes</li> </ol> | <ol style="list-style-type: none"> <li>1. Human Resources (HR) have a suite of policies agreed by Cabinet/Council to help downsize the workforce, although these will need to be kept under review.</li> <li>2. Decisions taken so far have aimed to reduce rather than remove services. This will not be possible in the light of future projections. The Council has adopted a new Corporate Plan 2018-23 with revised MTFP Savings Principles.</li> <li>3. The 2018/19 budget and an updated Medium Term Financial Plan were approved by Council on the 22nd February 2018.</li> <li>4. Development of an appropriate communication strategy.</li> <li>5. Consultation with the public, and affected service users.</li> <li>6. Ongoing Asset rationalisation programme.</li> <li>7. 4-year savings targets have been allocated to Heads of Service.</li> <li>8. Business Improvement Board has been established and will oversee major projects focussing on service change.</li> <li>11. Grant funded staff are appointed on fixed term contracts</li> </ol>  | 1-4 None                      | High                  | High                  | Updated Medium-Term Financial Plan covering the period 2018/19 to 2022/23. Indicative savings requirement has been established for the four-year period 2019/20 to 2022/23. Heads of Service have been asked to identify further potential savings proposals for consideration.   | Yes, the financial resources available will impact on the services we deliver and the way we deliver them. This will affect the community.  | Medium-term   | High           | Corporate Management Team      |
| CMT16 | School Attainment  | School attainment levels are still below the all Wales average, along with pupil attendance. Low levels of attainment and relative achievement are continual risks for the borough.  | <ol style="list-style-type: none"> <li>1. Attainment levels are below the Welsh average.</li> <li>2. There is a gap between the attainment of Free School Meals pupils and Non-Free School Meals pupils which must be addressed.</li> </ol>   | <ol style="list-style-type: none"> <li>1. Standards of attainment are monitored and reported to the; Senior Management Team (SMT) / Corporate Management Team (CMT) / Scrutiny Committee, through an annual programme of reporting described in the Directorate Plan Handbook. A new Corporate Director has been appointed with responsibility for Education. An Education Board is to be set up in late 2018, regular updates to WG take place.</li> <li>2. An EAS joint action plan has been developed and agreed, and the LA will continue to work closely with the EAS to ensure that schools are challenged and supported effectively.</li> <li>3. Schools most at risk of underperformance will be monitored on the regional Schools Causing Concern process.</li> <li>4. Where schools fail to make the expected programme at the expected rate, in consultation with the EAS, the LA will consider the use of statutory powers.</li> </ol>   | 1 None                        | High                  | High                  | Improvement has been continuous in the majority of key indicators for several years but remains a priority, especially at L2+ KS4. The Chief Executive and Chief Education Officer are working with the Education Achievement Service (EAS) and Head teachers to develop a comprehensive strategy for improvement has been developed and agreed. A new Corporate Director has been appointed with responsibility for Education. An Education Board is to be set up in late 2018. Regular updates to WG take place. Regular updates to CMT, Cabinet, and WG take place.  | Yes, this limits contribution to 'Prosperous and More Equal Wales'. Standards of attainment and gaps in inequality can result in a low skilled, low paid workforce, and higher levels of unemployment leading to poverty. Over the long-term (25 years) in the life of a young child to adult the potential outcome of the attainment gap makes this a high risk. | Long-term   | High           | Interim Chief Executive        |
| CMT29 | Welsh Housing Quality Standard (WHQS) programme  | Everyone in Wales should have the opportunity to live in a good quality home within a safe and secure community. To help achieve this, the physical standard and condition of existing housing must be maintained and improved to the Welsh Housing Quality Standard (WHQS). | Failure to meet WHQS for all our social housing stock by 2020.  | <p>The WHQS programme has its own specific risk register which is reviewed and updated by the Project Board quarterly.</p> <p>The last update was June 2017. The highest risks are:</p> <ul style="list-style-type: none"> <li>• Failure to achieve programme objectives - the probability level has increased due to one of the main internal works contractors having ceased trading and still high risk in relation to the external works. Contingency arrangements have been implemented as identified below. There is also contingency built into the programme for the final year (2019/20) in relation to the internal works where there is currently no work allocated to the external contractors appointed to the internal works contracts.</li> <li>• Capacity -Staff resources, especially amongst front line roles such as Surveyors, Clerk of Works, Quantity Surveyors, etc. are critical to cope with the volume of work within a fixed timetable. The addition of the Sheltered schemes to the programme for 2017/18 has slightly increased the resource requirements in the immediate and short term. However, a business case to increase resources as and when required to deal with peaks and troughs has been approved and is in place to be used when necessary. New contract arrangements for the south of the borough have been put in place for the external works. This Dynamic Purchasing System (DPS) arrangement also provides opportunity to undertake both internal and external works around the authority should the need arise as a further contingency measure. As a result of one of the main internal works contractors having ceased trading, alternative arrangements are in the process of being implemented whereby the in-house workforce will pick up the majority of this workload by moving resources from other contract areas, with additional support being provided by external contractors via the DPS as and when required. A new programme is being developed based on more accurate cost information in place of previous Savill's estimates and the anticipated work that is being projected to 2020. Monthly Project Board meetings will continue to be held to monitor ongoing performance and to assist with the decision making process.</li> </ul> | None                          | Medium                | Medium                | <p>Following the WAO Review undertaken in March/April 2017 a commitment was made to WG to demonstrate the progress that was being made in relation to the delivery of the programme. It was stated that 40% of external and 75% of internal works would be completed to the housing stock by March 2018. At March 2018 external completions amount to 44% and internal completion 76% with overall compliance of the housing stock being 35%.</p> <p>Significant improvements in performance have been realised in the last 12 months aided by a procurement process (Dynamic Purchasing System) which has been initiated for the LRV to establish a new framework for external and internal works to act as a general contingency. The procurement process will be based on a Bill of Quantities in an attempt to improve value for money.</p> <p>A significant percentage of work to the sheltered housing schemes will be undertaken by the in- house workforce. The programme is progressing with works on track to be completed within the planned programme.</p> <p>Projected expenditure against the budget continues to be monitored, which indicates that 2017/18 has seen the largest annual spend since the inception of the programme at £39m. This information has been projected forward and used to review our delivery programme up to 2020, which demonstrates that this is still deliverable within the timescales and projected budget, although borrowing is likely to be required for 2018/19. While there are risks that require appropriate mitigation measures there is an increased momentum and more confidence about the 2020 deadline. WG have recently confirmed that the deadline for the WHQS programme is December 2020</p> <p>We are awaiting the outcome of the WAO's follow up review.</p> |   | Medium-term   | Medium         | Corporate Director Communities |

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| CMT12 & CMT37 | Waste Management Service Continuity & Target Achievement | The Welsh Government (WG) drive for source segregated collections and substantial change to the recycling Material Recovery Facility (MRF) market and restrictions on exporting low grade recyclate could potentially affect service delivery to the public and/or target achievement if mitigation measures are not put in place.  | The ability to meet future recycling and landfill diversion targets with our current collection, disposal and treatment framework.<br><br>Specific areas that need to be considered are:<br>i. Levels of contamination in our recycling;<br>ii. Loss of food waste within residual waste;<br>iii. Type of collection (WG blueprint or alternative);<br>iv. Contractual arrangements for recycling and organics<br>v. Appropriate levels of budget and staffing structure to support daily front line collection services and our future strategy, and<br>vi. Insufficient community participation in food recycling  | A Waste Board has been established, Chaired by the Director and including relevant senior officers.<br>i. WG targets continue to be exceeded (2016/17 outturn was circa 65%) as result of some intervention put in place in the last 2-3 years.<br><br>iii. Deliver 3rd annual door stepping communications campaign with every household in the county borough being visited with a focus on reducing contamination levels in the recycling stream and using the food waste service.<br>iii. Continue delivery of Project Gwyrdd to further reduce reliance on landfill.<br>iv. CCP modelling work with WG consultants nearing completion with the result that member decisions will be required on future service strategies over the coming 3-6 mths. The collection modelling is complete but we are awaiting further costed option on an alternative WTS/HWRC site.<br>iv. New 2 year MRF contract commenced in July 2017 and long term organics contract in place.<br><br>vi. Slight amendments being made to dry recycling collection service to reduce contamination and black bag issues in light of new MRF contract now being operational |                               | Medium                | Medium                | Although the Authority is performing well against WG Targets, many of the risks (e.g.: budget, staffing, etc.) remain going forward. Regeneration and Environment Scrutiny Committee has established a Waste Review Scrutiny Working Group to consider financial implications, service delivery options, projected performance, risk analysis, capital investment, consultation and public engagement, and timescales. Working Group Meetings are in progress with the aim of reporting back to Committee in October 2018. | Yes - the purpose of the landfill directive is to divert biodegradable waste away from landfill to reduce pollution. A diverse natural environment with healthy functioning ecosystems contributes to a 'Resilient Wales'. Failure to deal with waste properly affects future generations.  | Long-term   | Medium         | Corporate Director Communities     |
| CMT39         | Fragility of the Social Care market                      | The independent sector social care market across Wales is in an unprecedented position in terms of its fragility and this is starting to be felt in Caerphilly.   | 1. Providers unable to sustain existing packages of care.<br>2. National Minimum Wage and National Living Wage creating additional financial strain which providers are expecting LA's to resolve.<br>3. Little additional capacity to take on new packages of care.<br>4. Ongoing Judicial Review across Wales re responsibility for Funded Nursing Care Payments<br>5. Potential Financial impact on the Directorate & authority<br>6. Introduction of RISCA from 01.04.18 could have significant implications for recruitment and retention of staff.   | Fee levels for 2017/18 agreed at 3.1%. This was funded via a mix of core funding and CCBC's element of the Social Care Workforce grant paid by Welsh Government. A further element of workforce funding has recently been released by WG. Discussions are ongoing with commissioned providers to determine how these monies should be allocated. Fee levels for 18/19 agreed at 2%   | Yes                           | High                  | High                  | No change in risk level. 2018/19 fees agreed. Further concerns with regard to stability. Largest Provider of domiciliary care in the UK in financial difficulty. Further representations from Providers in relation to fee levels. Debates at a national level re sustainability of funding levels.  | Yes - reducing help that can be provided for the most vulnerable in our society will affect our ability to contribute to a 'Healthier Wales' which requires peoples mental and physical well-being to be maximised. Whilst this may be a medium risk operationally from a FGA perspective this would be high as it directly affects those most in need. | Medium-term   | High           | Corporate Director Social Services |
| CMT44         | Local Development Plan                                   | The Adopted LDP is due to expire on 31st December 2021. The Replacement Local Development Plan was well advanced, however, the Council withdrew that plan in July 2016 following local opposition to a number of development sites contained within the document. The Council has resolved to progress the preparation of a Strategic Development Plan and a new LDP in parallel. | The adopted LDP allocates land for the development of 8625 houses to be built over a 15 year period. The annual Joint Housing Land Availability Study indicates that many of the allocated sites are not available or viable within the required 5 year period, and there is therefore a shortfall of housing land. Housing developers will therefore submit applications to develop land that is not allocated in the LDP. The Council will consider the applications, but the lack of a five-year housing land supply will be a material planning consideration which could outweigh other policies in the plan. A refusal of planning permission may lead to an increase in appeals and award of costs if the Council is considered to have behaved unreasonably, e.g. where a reason for refusal is not based on any sound evidence.   | The Adopted LDP remains in force until 2021. In the interim, officers are working closely with Welsh Government officials to agree the appropriate footprint for strategic planning for the Cardiff Capital Region.<br>On 29th January 2018 the Cardiff Capital Region Cabinet agreed that work should commence on a Strategic Development Plan (SDP) for the area. Chief Planning Officers and Planning Policy lead officers have met monthly as a Project Group to progress various work streams necessary to establish the project in advance of the formal commencement of plan preparation. It is unlikely that the 5 year land supply can be addressed in the short term. In the medium to long term a replacement plan will increase the land supply position.  |                               | High                  | High                  | A number of significant applications have been submitted and approved by Welsh Government on appeal. Resulting in significant cost to the authority. Having regard to the number of potential future developments there are concerns that existing infrastructure such as transport, schools, and other services is inadequate. Due to the number of impending developments being agreed by the WG Planning Inspector we have moved this into a high risk category.  | Yes - the lack of an LDP threatens the timely delivery of land for development, particularly housing, making it more difficult to achieve the goal of prosperity.   | Medium Term   | Medium         | Corporate Director of Communities  |
| CMT45         | Local Government Reform                                  | <b>Latest Green Paper:</b> Strengthening Local Government: Delivering for People 20th March 2018- Introduces a new footprint combining CCBC with NCC. 3 options- voluntary mergers by 2022. Voluntary mergers by 2022 and the rest mandated by 2026. Mandated mergers by 2022.  | 1. Latest proposal mandates a merger with Newport City Council. Through either of three options, voluntarily by 2022, voluntarily by 2022 and mandated by 2026, mandated by 2022. All three options present risk as below.<br>2. CCBC maintains the position that it is large enough to stand alone. This may be rejected by WG however there seems to be no realistic timeline for agreement on reorganisation within this Assembly term.<br>3. Newport CC is not a natural fit for CCBC. Community differences, demographics, geographical separation. Priorities for the communities in Newport will be very different to semi-rural valleys communities.<br>4. Costs will be significant with 2015 estimates suggesting over £200 for local government across Wales. Given savings that have been taken since then WG anticipated savings over 10 years are unlikely to materialise.<br>5. Shadow authorities and preparation for vesting day would significantly detract strategic capacity from dealing with current challenges. | 1. Report to Council - 5th June 2018: approved Caerphilly County Borough Council response to the consultation on the Welsh Government Green Paper: 'Strengthening Local Government: Delivering for People'.<br>2. Collaborative working not recognised in the Green Paper. WLGA preference is for continued collaboration where business case makes sense.   |                               | Low                   | Low                   | New risk. Await the result of the Local Government Reform Green Paper.   | Yes - However, impacts are not yet fully understood.  | Medium and Long term                                  | Medium         | Corporate Management Team          |

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| CMT47 | Asset Management. | Insufficient budget to manage existing assets or pursue necessary development. The authority has too many buildings and insufficient capital programme allocation to maintain them. Additionally revenue budgets for building maintenance are being diverted to meeting the demands of the necessary legal standards, in particular health and safety legislation and that might well mean that normal building maintenance will suffer. | <ol style="list-style-type: none"> <li>Maintenance of existing sites will not be to a required standard</li> <li>Disposal of assets must be managed carefully to minimise community and service impacts</li> <li>Community Asset Transfer as an option brings risks in relation to continued liability</li> <li>Asset disposal may not realise expected returns</li> <li>Inability to pursue issues that we would wish, to improve service provision and community outcomes e.g. Band B of 21st Century Schools</li> </ol> | <ol style="list-style-type: none"> <li>Development of asset management and rationalisation programmes</li> <li>Cost benefit assessment before planned expenditure supported by business case where relevant</li> <li>Early stakeholder and community consultation before asset disposal</li> <li>Support for recipient organisations accepted for Community Asset Transfer</li> <li>Long term view of the needs of local communities balanced against the need to secure budget savings in the short to medium term.</li> <li>Services to identify what buildings they can realise as a consequence of Medium Term Financial Plan (MFTP) savings.</li> </ol> |                               | Medium                | Medium                | The Property Review Report 2018 has been issued for comment and includes a complete schedule of Council buildings by service area. The schedule highlights the size of the Council's property portfolio and will assist the production of Service Area Asset Management Plans (SAAMP). Many service areas are stretched and in many cases the production of the SAAMPs is taking too long. CMT therefore took the decision to bring in an additional central Asset Management Co-ordinator to assist with the development of SAAMPs. The post has been approved on a two year fixed term basis and will be advertised in May 2018. Notwithstanding the foregoing the Ty Dyffryn building has been marketed via an agent for sale or let and interest has been high. Furthermore the demolition of the Pontllanfraith Civic Centre is all but complete and the demolition of Oakdale Comprehensive School is underway. Both will release large sites for residential redevelopment. Options for the sale or redevelopment of Ty Darren are also being formulated. | Potentially disposal of assets across the authority may affect some communities disproportionately in the short to medium term. However, this has to be balanced against the need to manage a 'fit for use' portfolio to secure provisions for future generations over a longer timeframe. | Medium-term   | Medium         | Corporate Management Team |

**ICLIP Key:**

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

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

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

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

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