



**ERW**

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)**

## **2019-2020**

### **For Joint Committee February 2020**

# 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	<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> <ul style="list-style-type: none"> <li>• Cuts to School Budgets</li> </ul>	<b>16</b> <ul style="list-style-type: none"> <li>• NPT Withdrawal</li> </ul>
<b>High Probability</b>		<b>12</b> <ul style="list-style-type: none"> <li>• Data Protection</li> <li>• Failure to comply with Estyn Action Plan</li> <li>• ERW Governance</li> <li>• Transparency of Governance</li> </ul>
	<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 results in continued follow up	2	4	8	↑	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	3	4	12	↑	17
3	Failure to deliver Business Plan	2	3	6	↑	18
4	ERW Governance	3	4	12	↑	19
5	Data Protection	3	4	12	↑	21
6	ERW found not to provide Value for Money	2	4	8	⇔	22
7	LA Failure to comply with Grant Regulations	2	4	8	⇔	23



## Financial

No.	Risk	Probability	Impact	Residual Risk	Movement	Page
1	Timeliness of Welsh Government Funding	3	3	9	↑	24
2	Cuts to School Budgets	4	3	12	↔	25
3	Delivery of National Mission	2	3	6	↓	26
4	WG Grant Compliance	2	4	8	↔	27

## Review and Reform

No.	Risk	Probability	Impact	Residual Risk	Movement	Page
1.	NPT Withdrawal	4	4	16	↑	28
2.	Lack of Clarity on functions	2	3	6	↔	29
3.	Lack of Communication	2	3	6	↔	30
4.	Transparency of Governance	3	4	12	↑	31

# 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 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 28<sup>th</sup>. 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 (Governance and Compliance)

#### 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 2<sup>nd</sup> of December.

Pembrokeshire's inspection report is due to be published on the 12<sup>th</sup> of February. Following publication, ERW officials will liaise with Pembrokeshire to update risk scores accordingly.

**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)	↑↓↔
Inherent	3	4	12	↔
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

- 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>4</b>	

### 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)

## 1.6 Estyn Monitoring activity results in follow up for Neath Port Talbot (Governance and Compliance)

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

### Risk Scores

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

### Risk Owner

Aled Evans (Neath Port Talbot)



## 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.

Schools Causing Concern have dropped from 21 in September 2017, to a current number of 18 (As per School Performance Team logs January 2020). Secondary SCC have reduced from 11 to 7 – however, of the remaining 7, 5 schools have been logged as Schools Causing Concern since September 2017.

### 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

### 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 Owner

ERW Managing Director, 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 now in place for the 2019-20 Business Plan. Strategic groups in place to begin formation of 2020-21 Business Plan, and to oversee the remainder of the 19-20 business year.

Indicative funding has been received for 2020-21, and budget setting exercises are underway so that the Business Plan can be costed from outset. However, the uncertainty over whether ERW will be a Consortium of 5 or 6 Local Authorities make planning inherently difficult.

#### 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 who will co-construct a large amount of 2020-21 Business Plan

#### Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	3	9	↑
Residual	2	3	6	↑
Tolerance			4	

#### Risk Owner

Managing Director, 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 has not met in the 19-20 Academic Year, at the point of this report being written. This presents significant risks, especially as the board has several key stakeholders in attendance – WG, Estyn, and Headteacher Board representatives.

Several Internal Audit Recommendations around changes to ERW's Governance, and updating of the Legal Agreement, remain outstanding.

**Objectives at Risk:** All

### Risk Control Measures

- Andi Morgan appointed as Interim MD September 2019
- Revised Governance document currently in circulation,

### 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, Managing Director

## 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.

Joint Committee named Andi Morgan, interim MD, as the DPO on an interim basis in December 2019. In order to secure a longer-term solution, the ERW Policy Officer has met with the Head of Internal Audit, and is currently mapping all data collated by ERW's Central Team in order to better ascertain the scale of work involved for a permanent DPO, having received clarification on the criteria required of the post.

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

### Risk Owner

Managing Director, 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 new ERW model is now in place, however efficiencies and full increase of funding to frontline services do not take effect 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 new ERW Model.

### Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	3	4	12	↔
Residual	2	4	8	↔
Tolerance			6	

### Risk Owner

Managing 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 LA's.
- 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	4	8	↔
Tolerance			6	

### Risk Owner

LA Section 151 Officers, Head of Internal Audit,

## 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 grant

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. 2020-21 Indicative Funding received January 2020, however the issue of NPT Withdrawal will have an impact.

In-year variation funding from WG does occasionally materialise, sometimes as late as February (as happened in 18-19). This late arrival of funding is a contributing factor to this risk.

**Objectives at Risk:** All

#### Risk Control Measures

- A new 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

## 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.

Another issue raised by Headteacher representatives is the use of 2016 PLASC figures for allocation of the PDG grant. Recent reports from WG indicate that 2019 PLASC data may be used moving forward.

**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

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

**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

Managing Director, 6 LA Directors, Joint Committee

#### 4. Failure to comply with Grant Conditions from WG (Financial Risk)

##### Description of Risk

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

##### Background

The only area of concern remaining for this risk is that RCSIG grant funding conditions currently requires that all constituent Local Authorities pay their contribution to ERW – should Neath Port Talbot complete their withdrawal from the region, it is unclear what effect this will have on ERW's ability to meet the grant conditions, or how those grant conditions may change.

**Objectives at Risk:** All

##### Risk Control Measures

- Central Team and Senior Challenge Advisers commissioned to provide additional Business Plan Details for 2018-19
- Ongoing dialogue with Welsh Government
- Business Plan for 2019-2020 co-constructed alongside LA and Headteacher partners in early 2019, approved by May

##### Risk Scores

Risk Stage	Probability	Impact	Risk Score	Movement
	(a)	(b)	(a) X (b)	↑↓↔
Inherent	2	4	8	↔
Residual	2	4	8	↔
Tolerance			6	

##### Risk Owner

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

## Review and Reform Risks

### 1. Neath Port Talbot withdraws from ERW

#### Description of Risk

Neath Port Talbot withdraws from the ERW Consortium on the 31<sup>st</sup> of March 2020, as set out in its cabinet report on 27<sup>th</sup> March 2019.

#### Background

During the 2018-19 Academic Year, NPT Council confirmed a decision to issue notice of their intent to withdraw from the ERW Consortium, effective March 2020. This decision has yet to be reversed/withdrawn.

#### Impact of Risk:

Should the risk be realised, then we can expect significant impact, not only on ERW service delivery but on local arrangements within NPT. ERW would potentially need to consult the Monitoring Officer about how to proceed, with regard to the ERW Legal Agreement.

Other significant impact of note:

- NPT teaching workforce access to consortia-led national programmes such as the NPQH
- Large scale changes to Grant Funding from WG
- NPT access to WG Grants that typically come through Regional Consortia
- Decreased confidence or potential monitoring of ERW / NPT by Estyn due to large-scale changes
- Adverse effect on public and professional perceptions of the new ERW structure

#### Risk Control Measures

Significant dialogue undertaken between Lead Chief Executive, and NPT Chief Executive. NPT Director of Education has been consistently involved in the design and co-construction of the new ERW Structure, as well as planning meetings regarding 2020-2021 funding arrangements. ERW's new operational governance has been structured to include all 6 LAs as significant stakeholders in the decision making process, at school, Challenge Adviser and Director of Education level. NPT has also paid their core contribution to ERW that was previously outstanding.

However, it must be noted that despite the above, NPT Council have yet to reverse their notice to leave.

#### Risk Scores:

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

#### Risk Owner

Lead Chief Executive, Interim Managing Director, NPT Chief Executive, NPT Director of Education

## 2. Continued lack of clarity on ERW's functions

### Description of Risk

That the new ERW structure does not bring sufficient clarity on the function of ERW and its central team.

### Background

Despite thorough stakeholder engagement when constructing the new ERW structure, there remains work to be done with regard to communicating and clarifying the function of the new ERW to all stakeholders. Should this work not be completed, or fail to gain traction, there could be 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 new structure, loss of trust with the profession

### Risk Control Measures

- The ERW SLT have attended Headteacher meetings across all 6 LAs to present on what the new ERW can offer
- A comprehensive Communications Strategy is being drafted, which will include a communications plan for all key stakeholder groups,
- Communications systems have been overhauled in the Autumn term to better streamline outgoing information
- Consistent 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	3	6	↔
Tolerance				

### Risk Owner

Interim Managing Director, ERW SLT,

### 3. 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

LA's will need to employ curriculum support or other roles as according to their need and priority areas – i.e with less than 2 fte for secondary English support across the region an LA may wish to 'top up' locally. Furthermore, the linguistic need of each LA is different and current ERW structure does not 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 6 constituent LAs
- Brokerage pathway protocol to be agreed at Director Level

#### Risk Scores:

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

#### Risk Owner

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

## 4. 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 new strategic meetings that 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 new strategic meetings fail to improve transparency, there will be significant adverse effects

Governance Revision document deferred in November 2019 Joint Committee meeting. Strategy Groups signed off in December 2019 Joint Committee, remainder of Governance paper remains deferred.

Executive Board has not met during the 19-20 Academic Year at time of writing – stakeholders including WG, Estyn and Headteacher Board representatives.

Financial Delegation Arrangements for Strategy Groups remain unclear, and could easily have an effect on progress of the 19-20 Business Plan in its final quarter.

### 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	3	4	12	↑
Tolerance				

### Risk Owner

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