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AGENDA

Pwyllgor PWYLLGOR PENSIYNAU

Dyddiad ac amser y cyfarfod DYDD LLUN, 4 TACHWEDD 2019, 5.00 PM

Lleoliad I'W GADARNHAU

Aelodaeth Cynghorydd Weaver (Cadeirydd)
Cynghorwyr Dilwar Ali, Howells, Lay a/ac Graham Thomas

1 **Ymddiheuriadau am Absenoldeb**

Derbyn ymddiheuriadau am absenoldeb.

2 **Datgan Buddiannau**

I'w gwneud ar ddechrau'r Eitem Agenda dan sylw, yn unol â Chod Ymddygiad yr Aelodau.

3 **Cofnodion** (*Tudalennau 3 - 8*)

I gadarnhau bod cofnodion cyfarfod 11 Gorffennaf 2019 yn gywir.

4 **Partneriaeth Pensiwn Cymru** (*Tudalennau 9 - 10*)

Cael diweddariad ar Bartneriaeth Pensiwn Cymru.

5 **Adroddiad Blynyddol 2018-19 - i ddilyn**

Cymeradwyo'r Adroddiad Blynyddol ar gyfer 2018-19.

6 **Cofrestr Risg** (*Tudalennau 11 - 16*)

Adolygu'r Gofrestr Risg gyfredol ar gyfer y Gronfa Bensiwn.

7 **Gwahardd y Cyhoedd**

Mae Eitemau 8 ac 9 yn gyfrinachol ac ni chânt eu cyhoeddi yn rhinwedd Paragraff 14 Rhan 4 Atodlen 12A Deddf Llywodraeth Leol 1972. Gwaherddir

y cyhoedd o'r cyfarfod i gyflwyno'r eitemau hyn yn unol â'r un ddeddfwriaeth.

8 Strategaeth Buddsoddi - i ddilyn

9 Cofnodion y Panel Cyngori ar Fuddsoddi (*Tudalennau 17 - 20*)

Nodi cofnodion cyfarfod y Panel Cyngori ar Fuddsoddi a gynhaliwyd ar 10 Mehefin 2019.

10 Eitemau Brys (os oes rhai)

11 Dyddiad y cyfarfod nesaf

I gael ei gadarnhau.

Davina Fiore

Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol

Dyddiad: Dydd Mawrth, 29 Hydref 2019

Cyswllt: Andrea Redmond, 02920 872434, a.redmond@caerdydd.gov.uk

PENSIONS COMMITTEE

11 JULY 2019

Present: County Councillor Weaver(Chairperson)
County Councillors Graham Thomas

12 : APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Dilwar Ali and Lay.

13 : DECLARATIONS OF INTEREST

None received.

14 : MINUTES

The minutes of the meeting held on 30 May 2019 were agreed as a correct record and signed by the Chairperson.

15 : WALES PENSION PARTNERSHIP

This report updated the Committee on progress towards the establishment of pooled investment arrangements for the eight LGPS funds in Wales under the oversight of the Wales Pensions Partnership.

Members were advised that the first two sub funds of the WPP Authorised Contractual Scheme (ACS) were launched in January 2019 with assets of approximately £4 billion.

Further sub funds, covering regional equities and fixed income, would be launched during 2019/20. The JGC approved the proposals for 4 fixed income sub funds at its meeting on 28 June. Cardiff currently holds assets totalling £770 million in active equities and £580 million in fixed income.

A Responsible Investment Policy is being developed by the WPP. The JGC approved principles for the Policy at its meeting on 27 March. A draft Policy has been circulated for consideration by the eight Pension Committees with a view to sign off at the JGC meeting on 20 September. This policy intends to set an umbrella under which the 8 funds can develop their own Responsible Investment Policy, including investing in fossil fuel.

Members were advised that the WPP will consult with constituent authorities on at least an annual basis to determine their individual investment requirements and longer term aspirations, including strategies either meet the responsible investment requirements of constituent authorities or have the potential to deliver benefit within the regions covered by constituent authorities. WPP will use this information to prioritise the development and launch of future investment solutions/funds within the WPP.

The Chairperson invited questions and comments from Members;

Members were pleased that each fund sets its own level of the policy.

Members noted the discussion at the WPP around how it communicates and gets messages out and this was under consideration too which was considered to be helpful.

RESOLVED:

- I. To note the recent developments in the establishment of the WPP Investment Pool.
- II. To consider the draft Responsible Investment Policy.

16 : DRAFT STATEMENT OF ACCOUNTS 2018-19

Members were advised that as Administering Authority, Cardiff Council is responsible for producing the annual Statement of Accounts for the Fund. Draft accounts for 2018/19 have been submitted for audit and were presented to the Council's Audit Committee on 25 June. The accounts are available for public inspection for 20 working days, from 18 June to 15 July.

Audited accounts will be presented to Audit Committee on 10 September and Full Council for approval on 12 September. The approved accounts will be published on the Council website by 15 September. The accounts will also be included in the Fund's Annual Report for 2018/19 which will be presented to this Committee for approval on 4 November and published by 1 December. Members noted that these timescales were earlier than previous years.

The Income and Expenditure for the Fund is summarised on page 9 of the accounts. Contributions from employers/employees were 6.3% higher than in 2017/18. This is due to an increase in the underlying pensionable pay combined with stepped increases in contribution rates for certain employers from 1 April 2018. Outgoing monthly pension payments were 5.3% higher than in 2017/18, reflecting an increase in the number of pensioners and dependants combined with a 3% inflation-linked pension increase in April 2018. Transfers in and out of the Fund resulted in a net inward transfer of £4.4 million, mainly due to a settlement with RCT Pension Fund in respect of staff transferred in 2015 to the joint Regulatory and Adoption Services managed by Vale of Glamorgan Council. Consequently the Fund's overall cashflows in respect of fund members were a net inflow of £11.5 million over the year.

The closing net assets of the Fund as at 31 March 2019 were £2.18 billion, an increase of 5.4% from the 2018 figure of £2.07 billion. The market value of the Fund's investments increased by £114 million and £27 million was received as income (and reinvested).

The Fund's overall investment return over the financial year was 5.1% relative to a market benchmark of 5.7%. Market sentiment swung from optimism at the start of the financial year to pessimism in the last quarter of 2018 and back to optimism at the

start of 2019, reflecting uncertainties concerning the departure of the UK from the EU, changes in the direction of central bank monetary policies and tensions over US-China trade relations.

The performance of manager portfolios during 2018-19 compared with their benchmarks were summarised for Members, who noted that the main issue was the UK managers who had underperformed against their benchmarks.

Over the last three financial years 2016-19, the average annual return was 9.6% against a benchmark return of 10.0%. Over the past 10 years, the average return was 10.5% against a benchmark of 10.6%.

The Chairperson invited questions and comments from Members;

Members sought clarification on whether the net inflow is reinvested into the fund. Officers advised that this was correct, cash balances are kept, up to three months of pensions to pay, this meant it was fairly stable by reinvesting over the year.

Members asked if Audit Committee had made any comments when they considered the report. Officers advised that they had not identified any issues. It was noted that the deadline is changing so Audit Committee had seen the report a few times. Members were advised that over the next 2 years the deadlines were likely to shift again so there may be a need to consider approval options going forward.

RESOLVED: To note the draft Statement of Accounts for the 2018-19 Financial Year.

17 : INVESTMENT STRATEGY & ASSET ALLOCATION 2019-20

Members were advised that this report requested the Committee to approve the Strategic Asset Allocation recommended by the Investment Advisory Panel for 2019-20.

At its meeting in September 2018, the Panel decided not to recommend any changes to the Asset Allocation but to carry out a further review after six months. In March the Panel considered the opportunities presented by the pooled funds launched by the Wales Pension Partnership in January and the proposals in progress for further sub funds. The Panel accepted the proposed changes to the allocation subject to advice from the Fund's actuaries on the risk/reward impact of the proposals. A report to the Panel meeting of 10 June confirmed that there were no material impacts on the risk/reward profile and the Panel agreed to recommend the amended allocation to the Committee.

The allocation recommended by the Panel for 2019-20 is shown in Appendix 2 of the report. The allocation includes the Committee's decision to invest 10% of Fund assets in a low carbon tracker fund.

If approved, the revised allocation will be implemented in stages during the remainder of the calendar year, subject to the WPP launching the additional sub funds required.

Members were advised that if approved then £220million would be transferred into low carbon tracker over the next few months.

The Chairperson invited questions and comments from Members;

Members considered that the transfer of funds into low carbon trackers funds should be publicised.

RESOLVED:

- I. To approve the Strategic Asset Allocation recommended by the Investment Advisory Panel.
- II. To note that the Corporate Director Resources has the authority under the Council's Scheme of Delegations to make arrangements to implement the approved amendments.

18 : ENGAGEMENT WITH THE PENSIONS REGULATOR

Members were advised that the Pensions Regulator (TPR) has had responsibility for public sector pension schemes (including the Local Government Pension Scheme) since 2015. During 2018 TPR announced that they would be carrying out a review of the LGPS by engaging with a sample of LGPS administering authorities. Authorities were chosen to cover the range of fund sizes and geographical spread within the LGPS, not because of any concerns about the administration of those particular funds. Cardiff was included in the review – the only Welsh fund in the sample.

A schedule of meetings between TPR case workers and Council officers was agreed, covering areas which TPR wished to review in depth. The meetings were a combination of face-to-face meetings and conference calls between 28 November 2018 and 4 April 2019.

Members were advised that TPR case workers had looked in detail at record keeping, risk registers, communication with members, pension board knowledge and cyber security. Themes identified were that there was an expectation that the Pension Committee should determine policies and procedures; Officers will review what is needed and bring to Pensions Committee for approval at the next meeting. Also reference had been to the Pensions Administration Strategy, the Pension Regulator will produce a summary report and this would be brought to a future committee for information.

Members were advised that the engagement process was now finished and there were just a few actions left to deal with.

The Chairperson invited questions and comments from Members;

Members asked what we already do with regards to the Pensions Administration Strategy and what the implications are. Officers advised that it was about documenting what we already do and laying down procedures with regards to engagement with other employers, tying down deadlines, clarity around roles and

responsibilities etc. Current arrangements are informal so it was just about formalising them. This formalisation is optional but the Pensions Regulator sees it as best practice. When a strategy is developed it will need to be reviewed, monitored and reported upon with regards to outcomes.

Members were advised that the Pensions Committee reviewing its own policies was an important aspect, it will need to agree overpayment and recovery policy as part of reconciliation and work on that is currently underway.

Members asked when this would come back to Committee and were advised that it would be before the end of the Financial Year. Officers considered that an Employers forum could be held in November, with consultation starting in October; this could be on the agenda and would be a good consultation/engagement opportunity.

RESOLVED: To note the conclusion of the TPR engagement process.

19 : MINUTES OF THE LOCAL PENSION BOARD

Noted.

20 : EXCLUSION OF THE PUBLIC

RESOLVED: That the following item is confidential and exempt from publication as it contains exempt information of the description contained in paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972. The public may be excluded from the meeting by resolution of the Committee pursuant to Section 100A(4) of the Local Government Act 1972 during discussion of this item.

21 : MINUTES OF THE INVESTMENT ADVISORY PANEL

Noted.

22 : URGENT ITEMS (IF ANY)

None received.

23 : DATE OF NEXT MEETING

The next meeting would be held in the autumn, with a date to be confirmed.

The meeting terminated at 5.35 pm

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**CARDIFF COUNCIL
CYNGOR CAERDYDD****PENSIONS COMMITTEE: 4 NOVEMBER 2019****REPORT OF CORPORATE DIRECTOR RESOURCES****AGENDA ITEM: 4**

WALES PENSION PARTNERSHIP**Reason for this Report**

1. The Pension Committee Terms of Reference set out the Committee's responsibility for the strategic governance of the Cardiff & Vale of Glamorgan Pension Fund.
2. This report has been prepared to update the Committee on progress towards the establishment of pooled investment arrangements for the eight LGPS funds in Wales under the oversight of the Wales Pensions Partnership.

Background

3. The Committee has received regular updates on the development of the Wales Pension Partnership by the eight LGPS administering authorities in Wales. The proposals for a Wales Investment Pool were approved by the Minister for Local Government in November 2016.
4. A Joint Governance Committee (JGC) has been established by the eight administering authorities to provide oversight of the Pool. The JGC is supported by the Officer Working Group (OWG) comprising the Treasurers and Investment Officers of the eight funds. Link Fund Solutions have been appointed as the Pool Operator and Russell Investments will provide consultative services including advice on fund design and manager selection. Carmarthenshire Council have been approved as the Host Authority, providing administrative support to the WPP.
5. The first two sub funds of the WPP Authorised Contractual Scheme (ACS) were launched in January 2019 with assets of approximately £4 billion.

Issues

6. The WPP UK Opportunities Fund was launched on 23 September 2019 with assets totaling £638m including £218m from the Cardiff & Vale of Glamorgan Pension Fund. The Fund was fully operational from 11 October. A review of the transition of assets into the Fund will be reported to the Investment Advisory Panel in December. The Panel will also receive regular performance reports for the Fund.

7. Five fixed income sub funds have been approved by the JGC and will be launched before the end of the 2019/20 financial year. Cardiff currently holds assets totaling £604 million in fixed income.
8. Work is ongoing to develop pooling solutions for further asset classes. A sub-group of the OWG has been established to explore options for Private Markets including property, private equities and infrastructure.
9. The WPP website www.walespensionpartnership.org was launched in September and contains information about the WPP, its governance structure, its policies and the investment funds already established.
10. The JGC at its meeting on 20 September approved the WPP's Responsible Investment Policy. The Policy has been published on the WPP website.

Legal Implications

11. This report has been prepared to update the Committee on progress in the establishment of pooled investment arrangements for the eight LGPS funds in Wales and as such does not raise any direct legal implications.
12. In considering this matter the decision maker must have regard to the Council's wider obligations under the Wellbeing of Future Generations (Wales) Act 2015, the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.
13. Any decision must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council eg. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its tax payers; and (h) be reasonable and proper in all the circumstances and comply with any equalities legislation.

Financial Implications

14. The costs of the WPP will be apportioned between the constituent authorities in accordance with the Inter Authority Agreement. All costs allocated to Cardiff will be charged to the Pension Fund.

Recommendations

15. That the Committee notes the recent developments in the establishment of the WPP Investment Pool.

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES

**CARDIFF COUNCIL
CYNGOR CAERDYDD**



PENSIONS COMMITTEE: 4 NOVEMBER 2019

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 6

PENSION FUND RISK REGISTER

Reason for this Report

1. To review the current Risk Register for the Pension Fund.

Background

2. A Risk Register for the Pension Fund is maintained as part of the Corporate Risk Management process. The Register covers all aspects of management of the Fund including Investments, Funding, Governance and Administration.

Issues

3. The current Risk Register is attached as Appendix 1. The standard Risk Matrix used for the Corporate register is attached as Appendix 2.
4. The Register is regularly reviewed by Fund officers and the Local Pension Board. The Register was also reviewed by the Pensions Regulator during the recent engagement exercise.

Legal Implications

5. There are no legal implications arising from this report.

Financial Implications

6. There are no financial implications arising directly from this report.

Recommendations

7. That the Committee notes the contents of the Risk Register.

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES

Appendix Pensions Risk Register 2019-20

| Ref | Risk Description (Consider Risk Cause & Risk Consequences) | Inherent Risk | | | Current Controls | Residual Risk | | | Proposed Improvement Actions | Risk Reduction Target Date | Owner |
|-----------------|---|---------------|-------------|----------------------|--|---------------|-------------|------------------------|---|----------------------------|---------------|
| | | Likelihood | Consequence | Priority | | Likelihood | Consequence | Priority | | | |
| Pensions | | | | | | | | | | | |
| P1 | That the Pension Fund's investment strategy is not managed with reference to the long-term growth in the Fund's liabilities | B | 1 | High - Red | <p>Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities. Employer contributions are set in response to this. An asset-liability study may be commissioned if there is evidence of a clear shift in the balance between assets and liabilities.</p> <p>The Investment Panel considers whether any changes are required to strategic asset allocation. The investment strategy is summarised in the Investment Strategy Statement</p> <p>The liabilities of admitted bodies are monitored to ensure that large deficits do not accrue, which would be unaffordable should the employer leave the Fund</p> | C | 2 | Medium - Red / Amber | Continuing engagement with Fund actuaries to understand impact of financial and demographic factors on the Fund's liabilities. | 31-Mar-20 | Gareth Henson |
| P2 | Inadequate medium term performance from selecting inappropriate fund managers or asset allocation | B | 2 | High - Red | <p>◦Fund managers have been appointed through open tender and management agreements include clear performance targets. All managers are interviewed by the panel at least once a year and are assessed over 3 year rolling periods.</p> <p>◦The Investment Panel advise target ranges for strategic asset allocations.</p> <p>◦Although the Fund's main objective is long-term growth, the diversification provided by adopting a range of asset classes and fund managers should help to mitigate the impact of poor performance from any particular account.</p> | C | 2 | Medium - Red / Amber | Maintain relationships with managers during period of transition to pooling | Ongoing | Gareth Henson |
| P3 | Additional risks and costs to the Fund from poorly structured investment arrangements | B | 3 | Medium - Red / Amber | <p>The Fund attempts to ensure best value in the following ways:</p> <ul style="list-style-type: none"> • Reports to the Investment Panel on manager performance and costs • Considering IMA disclosure tables to ensure best execution by managers • Where possible, managers are asked to invoice for fees • Use of specialist services considered to reduce costs where appropriate (e.g. for transitions and currency transfers). • Custodian arrangements are reviewed or re-tendered when appropriate. | C | 3 | Medium - Amber / Green | Continue to develop annual, quarterly and monthly monitoring processes. | Ongoing | Gareth Henson |
| P4 | Collapse of an Investment Manager involving our portfolio | C | 1 | Medium - Red / Amber | <ul style="list-style-type: none"> • The Fund considers the financial stability of managers during the tender process and at regular meetings. • All assets are managed through the Fund's custodian to ensure they remain segregated from the manager. • The risk that a manager cannot provide a service during windup has been mitigated by the appointment of a Transition Manager to transfer assets efficiently to a new manager. | C | 3 | Medium - Amber / Green | The Pool Operator is regulated by FCA and the Pool Custodian will ensure segregation of assets. Transition Managers will be appointed for the Pool. | Ongoing | Gareth Henson |

| | | | | | | | | | | | | |
|-----|--|---|---|----------------------|---|---|---|------------------------|--|-----------|--|---------------|
| P5 | MIFID II leads to restrictions on the investment products available to the Fund | A | 1 | High - Red | Collaboration with investment managers, the Pool Operator, other LGPS funds and the LGA to ensure that the Fund is classified as a Professional Investor by all its managers and the Pool. | C | 2 | Medium - Red / Amber | | | | Gareth Henson |
| P6 | Pooling arrangements lead to increased costs, lower performance, misalignment with the Fund's investment strategy or conflicts within the Pool | B | 2 | High - Red | Attendance at working group meetings and conference calls to ensure Cardiff's views are taken account of. Reporting of progress to Pension Committee, Investment Panel and Local Pension Board. | C | 2 | Medium - Red / Amber | Continuing engagement and scrutiny of detailed plans for pool structures and transition timetables. | Ongoing | | Gareth Henson |
| P7 | Pension Fund Annual Accounts and Report are not produced in compliance with statutory requirements, in line with accounting standards or in line with audit timetable. | B | 2 | High - Red | The Fund's Custodian provides assurance on the accuracy of investment records (except for property and private equity). Records of benefits paid, contributions received and other expenses are held on SAP. The Group Accountant liaises with external audit and manages the closure process. | C | 4 | Low - Green | Regular meetings during the financial year between accountancy and pensions staff to ensure any issues are identified and resolved before year end. | 31-Mar-20 | | Gareth Henson |
| P8 | Failure to adhere to LGPS Regulations | B | 2 | High - Red | <ul style="list-style-type: none"> Investment regulations are considered when setting the ISS Altair system ensures benefit calculations comply with scheme regulations Other regulations concerning membership, communication etc are published in the scheme guide and monitored by the Pensions section. | C | 2 | Medium - Red / Amber | Engagement with Local Pension Board to develop reporting processes | Ongoing | | Gareth Henson |
| P9 | Failure to communicate with stakeholders | B | 3 | Medium - Red / Amber | <ul style="list-style-type: none"> Contact list for employers updated regularly Annual Employers' Forum Annual Trade Union Forum Annual report and accounts Member newsletters | C | 3 | Medium - Amber / Green | Develop Fund website and member self service facilities. Engagement with employers through site visits and promotion of Employers' Forum. | 31-Mar-20 | | Gareth Henson |
| P10 | Withdrawal/default of an employer | B | 2 | High - Red | <ul style="list-style-type: none"> Outstanding liabilities will be assessed and recovered from any successor bodies or spread amongst remaining employers. Actuarial valuation aims to balance recovery period with risk of withdrawal Applications for admission to the Fund are considered carefully and guarantees put in place if required | B | 3 | Medium - Red / Amber | Improve engagement with admitted bodies where withdrawal is a possibility. Refuse new applications for admission except where there is an obligation to protect rights of employees transferred under TUPE | Ongoing | | Gareth Henson |
| P11 | Pensioners not paid | B | 2 | High - Red | Monthly Pensions are paid by the Council's Pay Centre | C | 3 | Medium - Amber / Green | Develop processes to minimise delays in payment of lump sums and first monthly pension | 30-Sep-19 | | Gareth Henson |
| P12 | Pensions continue to be paid to deceased pensioners | B | 2 | High - Red | <ul style="list-style-type: none"> Monthly ATMOS reviews and Tell Us Once data exchanges match pensioner details with national deaths register Pensioners incorporated into National Fraud Initiative Annual life certificates required from pensioners living overseas Further targeted checks with credit reference agencies as appropriate | D | 4 | Low - Green | Tell Us Once database is being updated monthly via the LGPS NI database. | | | Gareth Henson |
| P13 | Membership data is not recorded accurately | A | 2 | High - Red | Service history and salary details must be supplied by employers. Monthly returns via iConnect are now required. | B | 3 | Medium - Red / Amber | iConnect is live and being used monthly by almost all employers. Remaining 2 employers to go live in 1st half of 2019/20. | 30-Sep-19 | | Gareth Henson |
| P14 | Breach of GDPR legislation | A | 1 | High - Red | Information issued to Fund members and published on website; Pensions staff trained on handling personal data; Memo of Understanding issued to Fund employers; contracts with service providers | B | 3 | Medium - Red / Amber | Monitoring and supervision of staff, regular communications to Fund employers | Ongoing | | Gareth Henson |
| P15 | Failure to complete GMP Reconciliation by HMRC deadline of 31 December 2018 | A | 2 | High - Red | JLT engaged to carry out reconciliation, submit queries to HMRC and report back to Fund on results. | C | 3 | Medium - Amber / Green | Regular update meetings with JLT. Prompt resolution of cases referred back to Fund. | 31-Dec-19 | | Gareth Henson |
| P16 | Failure to deliver Annual Benefit Statements by statutory deadline of 31 August 2019 | A | 2 | High - Red | Employers notified of data return deadlines; printing timetable agreed with external printer | B | 3 | Medium - Red / Amber | Monthly data submitted via iConnect; Member tracing via ATMOS | 31-Aug-19 | | Gareth Henson |
| P17 | Cyber security | A | 1 | High - Red | Access to all systems is password protected, additional password protection for access to Altair | B | 3 | Medium - Red / Amber | Staff must complete mandatory modules on cyber security | Ongoing | | Gareth Henson |

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Risk Matrix and Definitions



| | |
|------------------------|--|
| High Priority | Red - Significant management action, control, evaluation or improvements required with continued proactive monitoring. |
| Medium Priority | Red / Amber - Seek cost effective management action, control, evaluation or improvements with continued proactive monitoring. |
| Medium Priority | Amber / Green - Seek cost effective control improvements if possible and/or monitor and review regularly. |
| Low Priority | Green - Seek control improvements if possible and/or monitor and review. |

| | | IMPACT | | | | |
|------------|---|--------|----|----|----|--|
| | | 1 | 2 | 3 | 4 | |
| LIKELIHOOD | A | A1 | A2 | A3 | A4 | Likelihood: A. Very Likely B. Likely C. Possible D. Unlikely E. Very Unlikely Impact: 1. Major 2. Significant 3. Moderate 4. Minor |
| | B | B1 | B2 | B3 | B4 | |
| | C | C1 | C2 | C3 | C4 | |
| | D | D1 | D2 | D3 | D4 | |
| | E | E1 | E2 | E3 | E4 | |

The '**LIKELIHOOD**' table below provides a framework by which you can use to score the likelihood of your risk occurring giving a score of A being very likely to E being very unlikely.

| Description | Probability | Criteria |
|-------------------------|---|--|
| A. Very Likely | 75% + chance of occurrence | <ul style="list-style-type: none"> Expected to occur in most circumstances Circumstances and near misses frequently encountered (e.g. daily / weekly / monthly / quarterly) |
| B. Likely | 50% - 74% chance of occurrence | <ul style="list-style-type: none"> Will probably occur in most circumstances Circumstances frequently encountered Near misses regularly encountered (e.g. once or twice a year) |
| C. Possible | 30% - 49% chance of occurrence | <ul style="list-style-type: none"> Not likely to occur but a distinct possibility Circumstances regularly encountered Near misses occasionally experienced (e.g. every 1 - 3 years) |
| D. Unlikely | 10% - 29% chance of occurrence | <ul style="list-style-type: none"> Not expected to happen but there is the potential Circumstances occasionally encountered Any near misses are infrequent (e.g. 3 years +) |
| E. Very Unlikely | Less than 10% chance of occurrence | <ul style="list-style-type: none"> May only happen in exceptional circumstances Has rarely / never happened before. |

The **'IMPACT'** table:

| Description | 1 - Major | 2 - Significant | 3 - Moderate | 4 - Minor |
|--|--|--|---|--|
| Implications for Service and / or Achievement of Key Targets / Objectives | <p>Major loss of service, including several important areas of service and / or protracted period</p> <p>Service Disruption 5+ Days</p> <p>Major impact on achievement of several key targets / objectives</p> | <p>Complete loss of an important service for a short period</p> <p>Significant effect to services in one or more areas for a period of weeks</p> <p>Service Disruption 3-5 Days</p> <p>Significant impact on achievement of a key target / objective or some impact on several</p> | <p>Moderate effect to an important service for a short period</p> <p>Adverse effect to services in one or more areas for a period of weeks</p> <p>Service Disruption 2-3 Days</p> <p>Moderate impact on achievement of one or more targets / objectives</p> | <p>Brief disruption of service</p> <p>Minor effect to non-crucial service</p> <p>Service Disruption 1 Day</p> <p>Minor impact on achievement of targets and objectives</p> |
| Reputation | <p>Adverse and persistent national media coverage</p> <p>Adverse central government response, involving (threat of) removal of delegated powers</p> <p>Officer(s) and / or Members forced to resign</p> | <p>Adverse publicity in professional / municipal press, affecting perception / standing in professional / local government community</p> <p>Adverse local publicity of a significant and persistent nature</p> | <p>Adverse local publicity / local public opinion</p> <p>Statutory prosecution of a non-serious nature</p> | <p>Contained within Directorate</p> <p>Complaint from individual / small group, of arguable merit</p> |
| Health & Safety | <p>Fatality (ies)</p> | <p>Incidents reportable to the HSE (i.e. specified injuries to workers, over seven days lost from work accidents, specified non-fatal accidents to non-workers, specified occupational diseases / dangerous occurrences / gas incidents). Cases of other injury's (not reportable to HSE).</p> | <p>Minor injuries</p> <p>No time lost from work</p> | <p>No injuries but incident has occurred</p> |
| Failure to provide statutory duties / meet Legal Obligations | <p>Multiple Litigation</p> | <p>Litigation</p> | <p>Ombudsman</p> | <p>Individual claims</p> |
| Financial | <p>Corporate Budget re-alignment</p> | <p>Budget adjustment across Directorates</p> | <p>Contained within Directorate</p> | <p>Contained within Section / Team</p> |
| Implications for Partnership (e.g. objectives / deadlines) | <p>Complete failure / breakdown of partnership</p> | <p>Significant impact on partnership or most of expected benefits fail</p> | <p>Adverse effect on partnering arrangements</p> | <p>Minimal impact on partnership</p> |
| Implications for the Community or the Environment | <p>Extensive, long-term impact</p> <p>Major public health / environmental incident or loss of significant community facility</p> | <p>Long-term environmental or social impact such as a chronic and / or significant discharge of pollutant</p> | <p>Short-term, local environmental or social impact such as a major fire</p> | <p>No lasting detrimental effect on the environment or the community e.g. noise, fumes, dust etc.</p> |
| Stakeholders | <p>Stakeholders would be unable to pursue their rights and entitlement and may face life threatening consequences</p> | <p>Stakeholders would experience considerable difficulty in pursuing rights and entitlements</p> | <p>Some minor effects on ability of stakeholders to pursue rights and entitlements, e.g. other sources or avenues would be available to stakeholders</p> | <p>The interests of stakeholders would not be affected</p> |

Yn rhinwedd paragraff (au) 14, 21 Rhan (nau) 4 a 5 o Atodlen 12A
o Ddeddf Llywodraeth Leol 1972.

Mynediad Cyfyngedig i'r Ddogfen

Mae'r dudalen hon yn wag yn fwriadol