

Meeting of:	Governance and Audit Committee
Date of Meeting:	Monday, 11 March 2024
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Corporate Risk Register Quarter 3 Update
Purpose of Report:	To update Governance and Audit Committee on the quarter 3 position of Corporate Risks for April 2023-December 2023 contained within the Corporate Risk Register as outlined in the Corporate Risk Summary Report.
Report Owner:	Rob Thomas, Chief Executive
Responsible Officer:	Tom Bowring, Director of Corporate Resources
Elected Member and Officer Consultation:	Consultation has been undertaken with designated Corporate Risk Owners, Strategic Insight Board, and the Strategic Leadership Team.
Policy Framework:	The proposals are within the Council's Policy Framework.
<p>Executive Summary:</p> <p>This report provides members with an overview of the Corporate Risk Register for Quarter 3 (April 2023-December 2023) and work underway to refine the Register.</p> <p>The report also requests that Governance & Audit Committee review and recommend endorsement of the inclusion of the Transition from the Welsh Community Care Information System (WCCIS) risk on the Register via Cabinet.</p> <p>The report also requests that Governance & Audit Committee approve and recommend to Cabinet that the Brexit and Covid risks are removed from the Register.</p>	

Recommendations

1. Note the Quarter 3 position of corporate risks (April 2023-December 2023) outlined in the Risk Summary report (**Annex A**) (including the inclusion of the new risk related to WCCIS and the removal of Brexit and Covid from the register).
2. Refer any other comments to Cabinet for their consideration and endorsement at the meeting when Cabinet will consider a report on the Corporate Risk Register for quarter 3.

Reasons for Recommendations

1. To identify the quarter 3 position of corporate risks across the Council and highlight any emerging issues and actions to be taken as outlined in **Annex A**.
2. To ensure Cabinet receives the comments of the Governance & Audit Committee when considering the quarter 3 risk position.

1. Background

- 1.1 Corporate Risk is managed via the Corporate Risk Register. To supplement this, a risk analysis in the form of a Corporate Risk Summary Report (**Annex A**) provides a more concise way of identifying the headline issues and risk considerations. In presenting the information in this way, it enables officers and Members to be able to have a good overview of the status of risks across the Register as well as the emerging Issues.

2. Key Issues for Consideration

Quarter Three Risk Updates

- 2.1 The Corporate Risk Summary Report (**Annex A**) provides an overview of all the corporate risks in the Register in terms of their inherent score, effectiveness of control score and residual score and provides an outline of the direction of travel for both current and forecast. It also provides a brief analysis of the emerging risk issues associated with risks on the Register.
- 2.2 There are currently 17 corporate risks on the Register. Five risks score high, five risks score medium/high, six risks score medium, and one risk scored medium-low on the Register.
- 2.3 During the 3rd quarter of the year, all risks on the Register have maintained their static position during the period, with the exception of Additional Learning Needs (ALN), which has escalated from a medium-high status (risk score of 9) to a high status (risk score of 12) and Covid-19 which has deescalated from a medium status (risk score of 6) to a medium status (risk score of 4).
- 2.4 The Additional Learning Needs (ALN) risk has escalated from a medium-high status (risk score of 9) to a high status (risk score of 12). From this position it is forecast to remain static. This escalation is reflective of the challenges faced in implementing the new duties associated with the Act which has placed new statutory duties on schools and local authorities. This had led to significant

increases in demand with resulting capacity issues on central services, schools and specialist provision.

- 2.5** At the request of the Committee, the risks relating to Covid, and Brexit have been further reviewed during the quarter. The risk associated with Covid-19 is forecasted to diminish, however there are still some areas of the Council's activity which are particularly impacted by Covid, for example some operations in social services. The council will maintain a watching brief and continue to contribute to partnership arrangements that are seeing Covid-19 being managed alongside other Communicable Diseases. A new Health Protection Plan (March 2024) outlines how covid will be managed alongside other communicable diseases on a regional, multi-agency basis with roles clearly identified and effective use of resources in place. This risk retains a medium status; however, the risk score has reduced from a score of 6 to a score of 4. Some of the impacts on the economy that occurred at the time of the UK leaving the European Union and in the aftermath of the pandemic continue to be felt. However, as the Office for Budgetary Responsibility have stated, it is "very difficult to isolate the effect of the new trading relationship with the EU on the medium-term economic and fiscal outlook".
- 2.6** On the basis that the Covid and Brexit risks have diminished in risk scoring, and are forecast to do so further over time, it is recommended that Governance & Audit Committee consider the proposal to remove these risks from the Register and recommend to Cabinet the same. Cabinet have previously requested that these risks be subject to continued monitoring, and it is proposed that this will be undertaken via the remaining risks on the Register which are most influenced, for example Financial Fragility.
- 2.7** There are three risks on the Register that we forecast will escalate over the year these are: Financial fragility, Workforce, and Project Zero.
- 2.8** In relation to Project Zero, following consideration of the risk scores by Project Zero Board, the risk has remained at its current level of 12 (high). However, the risk is forecasted to increase due to the impact of cost pressures affecting both capacity and resources available to implement the Climate Change Challenge Plan to effect change and mitigate against the impact of climate change
- 2.9** We anticipate that the legislative change and local government reform risk will continue to diminish over time. The remaining risks on the Register are forecast to remain static.
- 2.10** This quarter it is recommended that Committee consider proposals to include an addition of one new risk on the Register CR18: WCCIS. The completed risk template is contained in **Annex B** to this report for completeness.
- 2.11** The proposed current risk score for the proposed new risk relating to WCCIS is an 8 (M/H) with a forecast static direction of travel. The WCCIS programme is now at a critical point with technology drivers and contractual drivers forcing a decision about the future. The current underlying product (MS Dynamics CRM) used by the supplier of Care Director (Advanced) is at end of life, as of in January 2026, after which the current supplier is unwilling to support the physical data centre beyond this point, and the system will be unsupported. There are several high-level risks associated with the procurement of a suitable replacement for Care Director including the ability to procure and implement a new system in

time. Financial implications are uncertain with no governmental position regarding the position. There is an expectation that costs will need to be met in the first instance by the local authorities. There are also risks relating to regulatory compliance.

Review of the Risk Management Strategy & Register

- 2.12** During the Quarter, the Strategic Insight Board and Strategic Leadership Team have commenced a review of the Risk Register and associated Risk Management Strategy. This has involved considering routine updates to the Risk Management Strategy, the template for defining and monitoring risks and the contents of the Register as a whole.
- 2.13** This work has been informed by previous discussions by this Committee and it is proposed that this work will be reported for Governance & Audit Committee's consideration with the Quarter 4 risk update. Council officers have considered the current 'risk landscape' to ensure that all risks facing the Council can be reflected in the Register and that the approach to doing so provides timely updates for Members.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** Risk Management is an intrinsic part of corporate governance and integrated business planning which underpins the delivery of the Council's Corporate Plan and its Well-being Outcomes. Our Corporate Plan has been structured around the Well-being of Future Generations (Wales) Act 2015, through the development of four Well-being Outcomes and eight Well-being Objectives. By aligning our Well-being Outcomes in the Corporate Plan with the Well-being Goals of the Act, this will enable us to better evidence our contribution to the Goals.
- 3.2** Corporate Risks are considered in the context of the Well-being of Future Generations in terms of their potential impact on our ability to deliver /meet the Well-being Goals. The multi-faceted nature of risk means they have the potential to impact on how we deliver our priorities within the Corporate Plan and ultimately impact on our ability to meet/deliver on the Well-being Goals. A failure to identify the different facets of risk and mitigating actions using the five ways of working puts us in a more vulnerable position in terms of our ability to manage the risks and could significantly impact on our ability to evidence our contribution to meeting the Well-being Goals into the longer term. For example, the Welfare Reform risk cuts across five of the seven Well-being Goals in relation to a Prosperous Wales, A Resilient Wales, A Healthier Wales, A More Equal Wales and a Wales of Cohesive Communities with multiple aspects of risk associated with Welfare Reform that have the potential to impact on our ability to contribute to these Goals. For instance, the social impact of welfare reform could impact on tenant's health and their ability to heat their homes, live in good quality housing, and feed themselves which directly impacts on the Healthier

Wales and Cohesive Communities Goals. Equally there is the risk that welfare reform could have a detrimental impact on citizen's finances and their ability to sustain tenancies, access employment opportunities and pay bills. Collectively these could have an impact on our ability contribute to developing a Resilient Wales, Prosperous Wales, a More Equal Wales, and Cohesive Wales Goals.

- 3.3** The five ways of working are also a key consideration in relation to our corporate risks as a key part of managing the risk involves developing a Risk Management Plan that identifies the mitigating actions that have a focus on the long term, prevention, integration, collaboration and involvement.

4. Climate Change and Nature Implications

- 4.1** Within the Risk Register there is a corporate risk referred to as Project Zero. This corporate risk is defined as the failure to reduce our carbon footprint and mitigate against the impact/effects of climate change. The Project Zero risk identifies a wide range of climate change/nature related risks that are monitored and reviewed every quarter to ensure they reflect any emerging areas of risk/issues. The Project Zero risk has a Risk Management Plan that contains all risk related actions that will be undertaken during the year in order to further mitigate the associated risks and impact on climate change and the nature emergency. These risk actions are aligned to our Service Plans and the Annual Delivery Plan, which in turn are aligned to the Council's climate change programme of work known as 'Project Zero' and the associated climate change challenges as outlined in the Climate Change Challenge Plan. Monitoring risk in this way enables us to not only assess progress being made in relation to risk activity, but to also understand its contribution to the wider Project Zero programme.
- 4.2** Monitoring the Project Zero risk also provides an opportunity throughout the year for officers to consider any further mitigating actions that will enable us to further minimise the adverse consequences of our activities.

5. Resources and Legal Considerations

Financial

- 5.1** Managing and reducing risks effectively helps to prevent unnecessary expenditure for the Council, reduces the potential for insurance claims and rising premiums.

Employment

- 5.2** There are no direct workforce related implications associated with this report. However, there are risks contained within the Register that if not effectively managed has the potential to impact on our staff establishment. By managing these risks effectively, we are in a stronger position to offer better protection to our staff.

Legal (Including Equalities)

- 5.3** Identifying, managing and reducing any risk effectively mitigates against potential legal challenge.

6. Background Papers

[Corporate Risk Management Strategy](#)

Qtr3 2023/24 - Risk Summary Report Update

Risk Scoring Definitions

Inherent and Residual Risk Scoring

The Inherent Risk defines the risk score in a pre-control environment i.e. what the risk would look like (score) without any controls in place to manage the risk. The Residual Risk can be defined as the subsequent risk score as a consequence of applying controls to mitigate this risk.

Both inherent and residual risks are defined by two variables the Likelihood of the risk occurring and the Possible impact of that risk occurring. The higher the score allocated for the risk the higher the overall risk status. See matrix below:

Possible Impact or Magnitude of Risk	Catastrophic	4 <i>MEDIUM</i>	8 MEDIUM/HIGH	12 HIGH	16 VERY HIGH
	High	3 <i>MEDIUM/LOW</i>	6 <i>MEDIUM</i>	9 MEDIUM/HIGH	12 HIGH
	Medium	2 LOW	4 <i>MEDIUM</i>	6 <i>MEDIUM</i>	8 MEDIUM/HIGH
	Low	1 VERY LOW	2 LOW	3 <i>MEDIUM/LOW</i>	4 <i>MEDIUM</i>
Low 1-2 Low/Medium 3 Medium 4-6 Medium/High 8-10 High 12-16		Very Unlikely	Possible	Probable	Almost Certain
Likelihood/Probability of Risk Occurring					

Effectiveness of Controls Score

Controls can be scored 0-4 in terms of their effectiveness at controlling risk in terms of likelihood and impact. Zero implies poor control of the risk whereas a four would suggest controls in place are highly effective. This is based on scoring how effective the controls are at reducing a) the likelihood of and b) the impact of the risk. See table below

Score	Effectiveness of control
0	Very Low control of the risk
1	Low control of the risk
2	Medium control of the risk
3	High control of the risk
4	Very high control of the risk

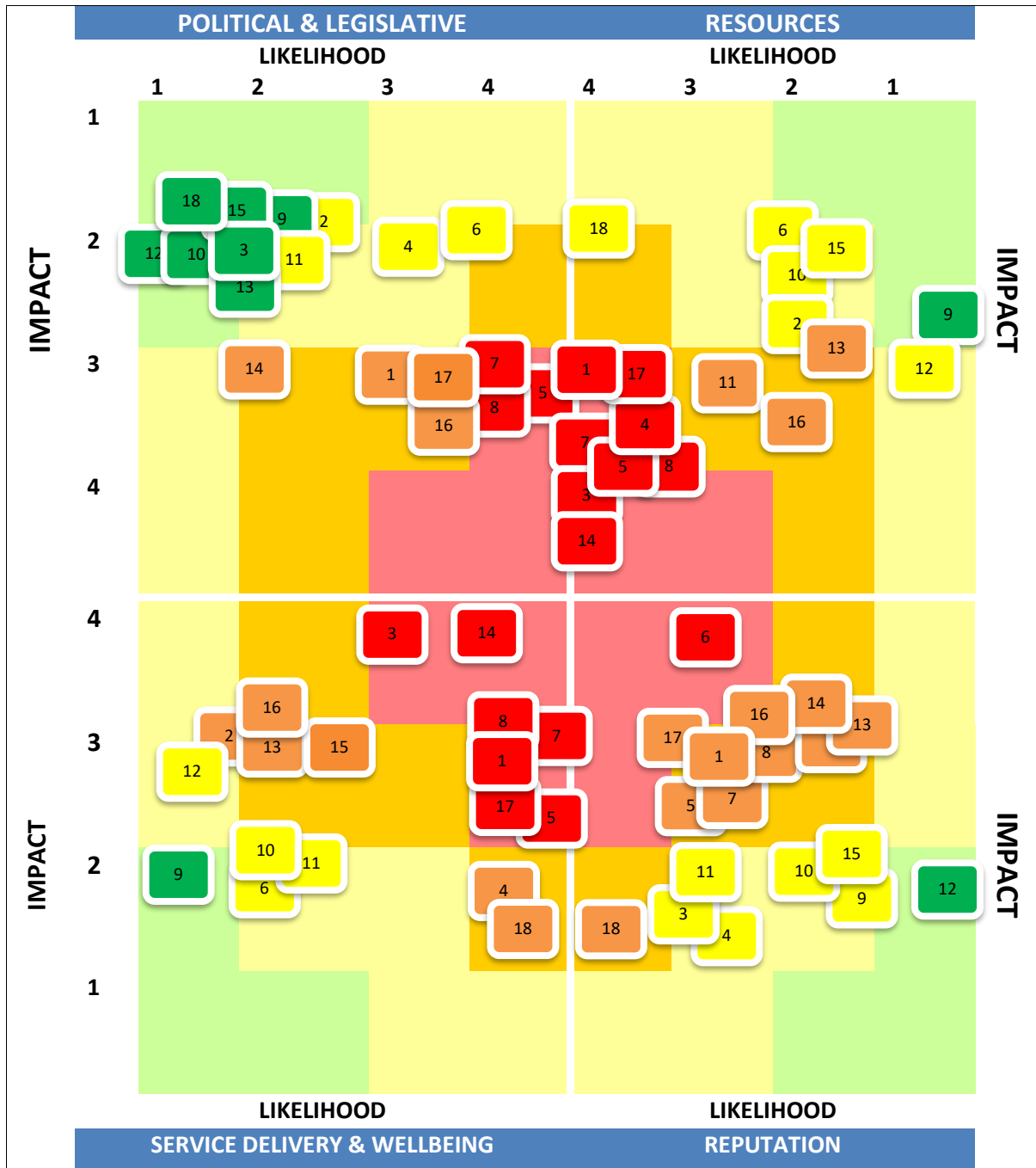
CORPORATE REGISTER SUMMARY

The table below provides a summary of the Corporate Risks broken down by their risk status in terms of their inherent (pre-control) risk score, the control risk score (how effectively the controls are managing the risk) and the residual risk score (post-control score). The table also gives an outline of each risk's direction travel, in terms of whether the risk is escalating or reducing as well as forecasting its future direction of travel.

Risk Ref	Risk	Inherent Risk Score	Effectiveness of Controls score	Residual Risk Score			Direction of Travel	Forecast Direction of Travel
				Likelihood	Impact	Total		
1	Financial Fragility	12 (H)	2 (M/L)	4	3	12 (H)	↔	↑
2	Legislative Change and Local Government Reform	12 (H)	2 (M/L)	2	3	6 (M)	↔	↓
3	School Reorganisation & Investment	12 (H)	2 (M/L)	3	3	9 (M/H)	↔	↔
4	Waste	12 (H)	2 (M/L)	4	2	8 (M/H)	↔	↔
5	Workforce Needs	12 (H)	1 (L)	4	3	12 (H)	↔	↑
6	Information Security	12 (H)	4 (M)	3	3	9 (M/H)	↔	↔
7	Project Zero	12 (H)	1 (L)	4	3	12 (H)	↔	↑
8	Cost of Living	12 (H)	1 (L)	4	3	12 (H)	↔	↔
9	Public Buildings Compliance	9 (M/H)	4 (M)	2	2	4 (M)	↔	↔
10	Safeguarding	9 (M/H)	4 (M)	2	2	4 (M)	↔	↔
11	Integrated Health and Social Care	9 (M/H)	4 (M)	3	2	6 (M)	↔	↔
12	Unauthorised Deprivation of Liberty Safeguards	9 (M/H)	6 (M)	1	3	3 (M/L)	↔	↔
13	Brexit	12 (H)	2 (M/L)	2	3	6 (M)	↔	↓
14	Additional Learning Needs	16 (H)	2 (M/L)	3	4	12 (H)	↑	↔
15	COVID-19	12 (H)	4 (M)	2	2	4 (M)	↓	↓
16	Market Fragility	12 (H)	2 (M/L)	3	3	9 (M/H)	↔	↔
17	Demand Management & Service Capacity	12 (H)	1 (L)	4	3	12 (H)	↔	↔
18	Transition from the Welsh Community Care Information System (WCCIS)	16 (H)	2 (M/L)	4	2	8 (M/H)	N/A	↔

THEMATIC RISK HEAT MAP

This heat map groups risk scores by the thematics of political and legislative, resources, service delivery and wellbeing and reputation.



LIKELIHOOD

Risk Reference Glossary							
1	Financial fragility	6	Information Security	11	Integrated health & Social Care	16	Market Fragility
2	Legislative Change & Reform	7	Project Zero	12	Deprivation of Liberty	17	Demand Management
3	School reorganisation & investment	8	Cost of Living	13	Brexit	18 Transition from the Welsh Community Care Information System (WCCIS)	
4	Waste	9	Buildings compliance	14	Additional Learning Needs		
5	Workforce Needs	10	Safeguarding	15	Covid-19		

Risk overview

Five risks score high, five risks score medium/high, six risks score medium, and one risk scored medium-low on the Register. During the 3rd quarter of the year, there has been movement in the Additional Learning Needs (ALN) risk from a medium to a high risk and Covid-19 risk to a lower medium status. A new risk has been proposed, Transition from the Welsh Community Care Information System (WCCIS) with a proposed risk score of 8(M/H).

Direction of Travel

All risks on the Register have maintained their static position during the period, with the exception of Additional Learning Needs (ALN), which has escalated from a medium-high status (risk score of 9) to a high status (risk score of 12) and Covid-19 which has deescalated from a medium status (risk score of 6) to a medium status (risk score of 4).

Forecast Direction of Travel

During the quarter 3 period, the forecast direction of travel statuses are as follows:

Risks forecast to diminish

- The DOT for the **legislative change and local government reform** risk is forecast to reduce. The primary focus of this risk was on the introduction of the Local Government & Elections Act and the majority of these provisions are now enacted, with this risk retaining a 'watching brief' on the way these become embedded. As there is new statutory guidance on a number of remaining facets of the legislation, the working group continue to meet to review the remaining progress. This risk will be reviewed on an on-going basis depending on what legislation the Welsh Government are seeking to introduce.
- **Brexit:** The DOT for the Brexit risk is forecasted to reduce. A watching brief has remained on this as cabinet have requested, in order to ensure that any residual impacts of Brexit can be monitored. The risk specifically for Brexit has been diminishing over the year, and the impacts of Brexit are now closely entwined with the general economic picture of the UK. The various impacts that are being experienced as a result of Brexit are now being seen within other risks on the register (for example, financial fragility, market fragility and demand management & service capacity, and as such it is recommended that Committee consider the proposal to remove this risk from the Register.
- **Covid-19:** The risk associated with Covid-19 is forecasted to diminish, however there are still some areas of the Council's activity which are particularly impacted by Covid, for example some operations in social services. The council will maintain a watching brief and continue to contribute to partnership arrangements that are seeing Covid-19 being managed alongside other Communicable Diseases. A new Health Protection Plan (March 2024) outlines how covid will be managed alongside other communicable diseases on a regional, multi-agency basis with roles clearly identified and effective use of resources in place. This risk retains a medium status; however, the risk score has reduced from a score of 6 to a score of 4, and as such it is recommended that Committee consider the proposal to remove this risk from the Register.

Risks forecast to escalate

There are three risks on the Register that we forecast will increase over the year these are: Financial fragility, Workforce, and Project Zero.

- **Financial fragility:** The Council is currently considering the revenue budget for 2024/25, but given the economic landscape currently, it is considered that this risk will continue to increase in the medium term as financial settlements and pressures on Council budgets continue to experience significant pressure, with demand for Council services also increasing. There has been positive delivery of the Savings Programme during 2023/24 It has been necessary to have a very robust review of the pressures, and this has seen them managed/mitigated back to £20.8M leaving a savings target of £11.1M notwithstanding an ongoing review of the pressures.
- The **Workforce risk** is forecast to increase, as it is intrinsically linked to financial and market fragility and demand management issues across the Council and consequently one impacts upon the other. For example, the significant demand being seen across social care and the lack of social care capacity in communities is continuing to compound recruitment challenges of domiciliary care staff. The rising demand for social care services is putting our budgets under additional financial pressure, which in turn impacts on the financial fragility risk.
- **Project Zero:** Following consideration of the risk scores by Project Zero Board, the risk has remained at its current level of 12 (high). However, the risk is forecasted to increase due to the impact of cost pressures affecting both capacity and resources available to implement the Climate Change Challenge Plan to effect change and mitigate against the impact of climate change.

Risks forecast to remain static

- **Unauthorised Deprivation of Liberty Safeguards (DoLS):** No change to risk status and scores (risk score of 3), with forecast direction set to remain static. Whilst the additional funding that Welsh Government and the other partnership members have put into DoLS has been a supportive factor, the team is still not able to co-ordinate DoLS within statutory timescales which places the Council at risk of challenge in the Court of Protection. We continue to monitor and review the position of DoLS and backlogs and where necessary take action. There has been a significant decrease in the backlog year on year, but we are still falling short of meeting timescales. There has been continued funding for the 2023/24 period to address the build-up in cases that assists us in reducing backlogs across the partnership. Our ability to meet the demand will be significantly compromised if additional funding is not available beyond 2023/24.
- **Additional Learning Needs (ALN):** The risk has escalated from a medium-high status (risk score of 9) to a high status (risk score of 12). From this position it is forecast to remain static. This escalation is reflective of the challenges faced in implementing the new duties associated with the Act which has placed new statutory duties on schools and local authorities. This had led to significant increases in demand with resulting capacity issues on central services, schools and specialist provision. All of these risks were identified from the outset and robust mitigating actions are in place to address areas of known need. A key area of risk relates to further education institutions (FEIs). The Act places a duty on FEI's to use "best endeavours" to meet need but if they are unable to meet need the duty falls to the local authority. This could have significant financial implications for local authorities in future. The ALN Act puts in place the right to appeal IDP decision making, consequently there is heightened emphasis for LAs to ensure effective dispute resolution. This has the potential to result increased volume of disputes submitted by parents/carers, which in turn could challenge our capacity to resolve disputes at the earliest opportunity.

There is also an expectation that the new ALN system will be truly bilingual. This is very challenging to achieve and has significant training and funding implications. The impact of the new ALN system poses significant capacity challenges at both the LA and school level. This has necessitated an increase in central staff to be able to implement the necessary changes. Currently the majority of this increased expenditure on central staff has been met by grant funding provided by Welsh Government but ultimately long-term costs will have to be met by local authorities.

- **Public Building Compliance:** A risk status of medium (risk score of 4) remains in relation to our arrangements for the management of compliance and compliance data for our corporate building stock. Regular compliance updates considered by the Strategic Insight Board, Strategic Leadership Team and Schools Operational Investment Board, ensuring appropriate mitigations are in place.
- The **Waste** risk retains a medium-high status (risk score of 8) which reflects potential challenges associated with new legislation being introduced in April 2024 and the next round of statutory recycling targets which will become effective from 1st April 2024. We have completed the roll out of the collections blueprint (introducing separated collections across the Vale) and completed the construction of our new Waste Transfer Station. In addition, the introduction of a new carbon tax next financial year has the potential to cost the Council £500k a year. The forecast direction of travel remains static for the next quarter.
- **School Reorganisation and Investment:** This risk previously increased from a medium (risk score of 6) to medium-high (risk score of 9) in quarter 2. The forecast is set to remain static from this position. The increasing costs of materials and resources have led to an increased market cost of delivering projects and investing in schools. These factors are outside of the Council's control which have rendered the controls that are in place less effective at mitigating the risk. Therefore, the impact of the cost increases will be more greatly felt.
- The **Market fragility** risk has remained static for this Quarter at medium-high (risk score of 9). From this position the forecast is for the risk to remain static. The market stabilised during Q1 and Q2, so that no major providers of social care failed during this time. This stability has brought the risk down for present as there is no immediate concern that providers will fail. There is now a decreased likelihood of a market collapse due to the stabilisation of providers that has been witnessed in Q1 and Q2.
- **Demand Management and Service Capacity:** There has been no change to risk scores retaining a high (risk score of 12) with the forecast set to remain static although not in all areas of social care. The key aspects of this risk can be defined as insufficient social care capacity to meet the significant growth in demand for social care services and with that increasing cost pressures. This is not just in the context of the volume of demand, but also the severity and complexity of need.

There are increasing numbers of children and young people and their families and adults that are presenting with more complex needs. Similarly, there is an increasing ageing population in the Vale of Glamorgan.

A key risk factor driving service capacity is the workforce pressures we face. In keeping with the national picture, the Vale of Glamorgan's Social Services is experiencing higher staff turnover/shortages and difficulties within recruiting and retaining social workers.

- **Safeguarding:** There has been no change to the risk scores retaining a medium (risk score of 4) with forecast direction set to remain static. Of concern is the impact that the

pandemic has had on children and young people at risk of abuse and or child sexual exploitation. Although, services adapted their processes to operate digitally, it does not replace the benefit of regular face to face contact when it comes to safeguarding matters. Subsequently the impact and aftermath of lock downs has increased demand for our children and young people services.

- **Integrated Health & Social Care:** No change in the medium risk status (risk score of 6) with forecast direction set to remain static. The integrated Vale Community Resource Service and the pan-cluster planning groups remain active and in place. Workshops are being planned in both areas to agree the next stages of development.
- **Cost of Living:** There has been no change to this risk score retaining a high (risk score of 12) with the forecast direction of travel to remain static. Cost of living refers to the fall in people's disposable incomes after considering inflation, taxation, and benefits. Despite the packages of support which have been announced, there are fears that in light of worsening financial situation, this will not be enough to support those most vulnerable to the effects of rising inflation. The Consumer Prices Index (CPI) rose by 4.0% in the 12 months to December 2023, up from 3.9% in November and down from a recent peak of 11.1% in October 2022. This remains above the UK Government's target of 2%. A key element of risk is the inability to effectively target our resources to reach those most in need and in particular to identify any areas of unmet need. It is likely that this will put additional demand upon our services at a time when our resources are already being stretched. The Council is also vulnerable to rising cost pressures associated with inflation. Consequently, there is a risk to the Council's ability to maintain levels of service delivery and has the potential to disrupt our ability to achieve our wellbeing objectives and key priorities as a council.
- **Information Security:** The National Cyber Security Centre's (NCSC) cyber security threat rating for the UK remains high in the context of Ukraine, Russia and Middle East conflicts, which now includes the Yemen and Red Sea attacks recently. Over the next two years we can also expect to see the use of Artificial Intelligence (AI) leading to increased volumes and heightened impact of cyber-attacks as per the NCSC's assessment. The forecast direction of travel remains the same as does the overall risk score from the last two quarters of 9 (M/H).

Proposed new Corporate Risk

- **Transition from the Welsh Community Care Information System (WCCIS):** Welsh Government significantly invested in a capital programme to support the development and implementation of an integrated digital information system across health and social care services. The Welsh Community Care Information System (WCCIS) was established in 2015. The WCCIS programme is now at a critical point with technology drivers and contractual drivers forcing a decision about the future. The deployment order for the Vale of Glamorgan ends on 14th March 2025. The current underlying product (MS Dynamics CRM) used by the supplier of Care Director (Advanced) is at end of life, as of in January 2026, after which the current supplier is unwilling to support the physical data centre beyond this point, and the system will be unsupported.

There are several high-level risks associated with the procurement of a suitable replacement for Care Director including the ability to procure and implement a new

system in time. This will potentially result in the use of an unsupported digital assessment and case management system. Financial implications are uncertain with no governmental position regarding the position until it is known how many organisations commit to using the new products. There is an expectation that costs will need to be met in the first instance by the local authorities. There are also risks relating to regulatory compliance (with potentially no way of monitoring our statutory duties), to system integration, data migration, and operational risks. **The proposed current risk score is an 8 (M/H) with a forecast static direction of travel.**

Appendix 18 Corporate Risk 18: Transition from the Welsh
 Community Care Information System (WCCIS)

1 – Risk Overview

1.1 Risk Description

The Social Services & Wellbeing (Wales) Act 2014 has integration of health and social care at its core. The effective sharing of information is a fundamental foundation of integrated working and should be applied on a “once for Wales” basis. Improving how we deliver modern health and care services through technology, use of data, and improving how we share information across health and social care settings is key to the Digital and Data Strategy for Wales, an enabler to delivering a Healthier Wales.

Welsh Government significantly invested in a capital programme to support the development and implementation of an integrated digital information system across health and social care services. Established in 2015, to support the delivery of a digital tool, the programme is known as the Welsh Community Care Information System (WCCIS). Since 2020 it has been hosted by Digital Health and Care Wales (DHCW). It is an ambitious and complex programme, driven by Welsh Government policy calling for a whole system approach to integrated working and delivery of seamless local health and social care services which are organised around the needs of the individual.

To date programme has experienced several challenges, the supplier which provides the programme’s digital product CareDirector was taken over as part of a corporate transaction; there were major upgrades to the CareDirector system infrastructure; and the Covid pandemic also affected on the WCCIS programme national team, in particular staff and resources.

Whilst all health boards and local authorities in Wales had the opportunity to take up the system, with the WCCIS programme set up to support implementation only 19 out of 29 organisations are live on the system (with 18,840 registered users across Wales). Neither of our regional partners Cardiff and Vale UHB and Cardiff Council are using the CareDirector product.

The WCCIS programme is now at a critical point with technology drivers and contractual drivers forcing a decision about the future. The deployment order for the Vale of Glamorgan ends on 14th March 2025. The current underlying product (MS Dynamics CRM) used by the supplier of CareDirector (Advanced) is end of life in January 2026, after which the current supplier is unwilling to support in physical data centre beyond this point, and the system will be unsupported.

As a result of these drivers and following a strategic review, an outline Business Case was presented to Welsh Government. They approved the recommendation to procure market leading and market specific products for our different care domains (local authorities, health boards and mental health) rather than a single system to replace CareDirector, with a shared record sitting in the middle of these systems to enable integrated care.

Current expectations for partner organisations are as follows.

- The national project team is responsible for the end-to-end delivery and rollout of the new solution.
- Each region will be responsible for the local changes (business and technical) to prepare their organisations for the incoming solution.
- The region is expected to setup a regional implementation project, contributing resources to plan, coordinate and execute local change (including a Project Lead/Manager).
- The national team will provide resources, tools, and templates for consistency across regional implementations (e.g., common milestones, reports, testing templates)
- The regional teams and national project teams will agree a joint plan via a Statement of Works (including inter- dependencies).
- The required regional resource commitment will not be known until providers have been onboarded, a delivery plan published, and a joint plan produced and agreed.

As part of the procurement process DHCW has undertaken consultation to formulate a future model based on the direction of all Health Boards and Local Authorities, not just those already using the CareDirector solution. Senior Officers from the Vale of Glamorgan are being given some opportunity to contribute to the procurement process to replace CareDirector. However, it has already experienced delays and is facing notable challenges. WCCIS is currently recognised as a high priority at Welsh Government level.

There are several high-level risks associated with the procurement of a suitable replacement for Care Director including the ability to procure and implement a new system in time. This will potentially result in the use of an unsupported digital assessment and case management system. Financial implications are uncertain with no governmental position regarding the position until it is known how many organisations commit to using the new products. There is an expectation that costs will need to be met in the first instance by the local authorities. There are also risks relating to regulatory compliance (with potentially no way of monitoring our statutory duties), to system integration, data migration, and operational risks.

1.2 Risk Owner

Head of Resource Management and Safeguarding (IM)

1.3 Alignment with Well-being Goals

A Globally Responsible Wales	Prosperous Wales	A Resilient Wales	A Healthier Wales	A More Equal Wales	A Wales of Cohesive Communities	A Wales of Vibrant Culture and Thriving Welsh Language
No	No	Yes	Yes	Yes	Yes	No

1.3 Risk Categories		
Categories	Yes/No	Definition
<i>Political & Legislative</i>	Yes	<p>Political and legislative repercussions of failing to fully implement a replacement for CareDirector, the product supporting WCCIS across the Directorate within required timescales. Delays in developing key aspects of the system because of the short timeframe to procure a replacement for 19 organisations across Wales are likely to add to the likelihood of this aspect of risk.</p> <p>Failure to put effective information security safeguards in place resulting in personal/sensitive and confidential information being leaked/revealed in the public domain could cause political instability and loss of credibility.</p> <p>Failure of other regional partners to implement the systems procured, thus not maximising the benefits of the systems particularly in relation to cost and the delivery of a shared care record.</p>
<i>Resources</i>	Yes	<p>Failure to secure adequate funding from DHCW/ the Welsh Government to replace CareDirector. Increased risk due to delays in the procurement process and uncertainty about the ability to secure and implement a suitable replacement product(s) within timescale resulting in a reluctance of organisations to sign up to the programme.</p> <p>Failure to fully maximise and mobilise our existing resources to ensure full implementation/development of the replacement of the digital solution to support WCCIS across the Directorate.</p> <p>Delays in developing key aspects of the system because of procurement delays are likely to add to the likelihood of this aspect of risk.</p> <p>Potential increased risk of data protection breaches following transition to new digital solution to support WCCIS due to the large volume of users and the budgetary impact of these breaches.</p> <p>Limited skill resilience to extract and report relevant data from the new system, until the system has been procured.</p>
<i>Service Delivery and Wellbeing</i>	Yes	<p>Failure to fully develop the replacement digital solution to support WCCIS and its potential could impact the ability of service users to access services readily. Delays in developing key aspects of the system because of procurement delays are likely to add to the likelihood of this aspect of risk.</p> <p>Loss of data could impact of the delivery of key services as well as the impact this has on service users.</p> <p>Failure to implement a replacement digital solution in time runs the risks of running on an unsupported system, which if it fails could potentially result in significant safeguarding risks for adults and children.</p>

1.3 Risk Categories		
Categories	Yes/No	Definition
		Failure to safeguard our citizens across Cardiff and the Vale as result of not implementing the procured recording system(s) over a regional footprint which will impact our ability to share information effectively across organisational boundaries.
Reputation	Yes	Reputational impact arising from findings from safeguarding concerns being escalated as a result of failing to record/share information effectively using the replacement digital solution to support WCCIS. This could result in a loss of confidence and trust in our ability to safeguard our citizens resulting in negative publicity, and ultimately have a detrimental impact on our credibility and leaves us open to potential criticism from our external regulator CIW, the Welsh Government and the Ombudsman.

2 – Risk Evaluation			
2.1 Inherent Risk Scoring			
Category	Likelihood	Impact	Total Inherent Risk core
Political & Legislative	4 (Almost certain)	4 (Almost certain)	16 (High)
Resources	4 (Almost certain)	4 (Almost certain)	16 (High)
Service Delivery & Well-being	4 (Almost certain)	4 (Almost certain)	16 (High)
Reputation	4 (Almost certain)	4 (Almost certain)	16 (High)
Overall Inherent Risk Score	4 (Almost certain)	4 (Almost certain)	16 (High)

2.2 Controlling Inherent Risk				
Category	Current Controls	Effectiveness of controls		
		Likelihood Score	Impact score	Total Score
Political & Legislative	<ul style="list-style-type: none"> Procurement of a suitable replacement digital solution to be monitored on an ongoing basis via operational meetings. Regular reporting of progress/updates via SMT Insight, CMT and Cabinet. 	2	2	4

2.2 Controlling Inherent Risk				
Category	Current Controls	Effectiveness of controls		
		Likelihood Score	Impact score	Total Score
	<ul style="list-style-type: none"> Collaborating with National Team to extend the deployment end date beyond March 25. 			
Resources	<ul style="list-style-type: none"> Key officers identified to maintain links with the national and regional team. Regular reporting and updates of potential cost implications to Insight, CMT and Cabinet. Consider systems currently being used by authorities outside of the WCCIS programme. Current system being cleansed, and forms developed to facilitate transition to replacement system. Business Intelligence staff continuing to develop SQL and Power BI skills to enable them to build performance related reports once new system is in place. Senior System and Business Intelligence Officers consulting with other WCCIS sites (local authorities) and the National Team to support the data migration process. Weekly meetings taking place with the regional lead and partners 	1	2	2
Service Delivery & Well-being	<ul style="list-style-type: none"> Directorate adheres to the Council's Information Management Strategy. Directorate implements the Social Services Performance Management Framework We continue to raise awareness amongst our customers of how we collect, record, monitor and use their personal data to ensure that we gain consent to do so, to facilitate transition to a new system. Data disclosure agreements to be put in place with all other organisations that agree to use the replacement digital solutions. Representatives Attend Regional and National Operational Meetings to identify and discuss any operational issues with the procurement of the new system and impact on service delivery. Weekly regional meetings pre-implementation to identify and address issues as they arise including financial implications, the development of a minimal viable product, scenarios to support the design and delivery of the new product etc. Internal meetings taking place regularly with key officers to prepare. 	1	2	2

2.2 Controlling Inherent Risk				
Category	Current Controls	Effectiveness of controls		
		Likelihood Score	Impact score	Total Score
Reputation	<ul style="list-style-type: none"> Effectively managed expectations and raised awareness with our Regulator (Care Inspectorate Wales) and Welsh Government regarding any limitations associated with reporting. We raise awareness amongst our customers of how we collect, record, monitor and use their personal data to ensure that we gain consent to do so. Business Intelligence staff are being trained and continue to learn and develop their expertise in building reports to access data and prepare reports using SQL databases and Power Bi. 	1	2	2
Overall Effectiveness of Controls		1	1	1

2.3 Residual Risk Scoring & Direction of Travel											
	Inherent Risk Scores			Effectiveness of controls Score			Residual Risk Score			Direction of Travel	Forecast Direction of Travel
Category	Likelihood	Impact	Total	Likelihood	Impact	Total	Likelihood	Impact	Total		
Political & Legislative	4	4	16	2	2	4	2	2	4		↔
Resources	4	4	16	1	2	2	4	2	8		↔
Service Delivery & Well-being	4	4	16	1	2	2	4	2	8		↔
Reputation	4	4	16	1	2	2	4	2	8		↔
Average risk score/ direction of travel	4	4	16	1	2	2	4	2	8 (Medium/High Risk)		↔

CR18: WCCIS

Risk Action Ref.	Action	Risk Categories				Demonstration of 5 Ways of Working					Officer	Completion Date	Status
		Political & Resources	Service & Well-being	Reputation	Integration	Collaboration	Involvement	Prevention	Long-Term				
TBC	Collaborate on undertaking preparatory work with the national and regional teams for a replacement system for WCCIS and regularly report progress. Extend current deployment end date beyond March 25.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	IM/SM	March 2025	Amber
ACTION UPDATE:	Senior Officers attending weekly meetings with Regional WCCIS and regional partners, and national WCCIS Program Deliver Group. SMT updated regularly. National Team negotiating deployment order end dates on behalf of organisations currently signed up to the programme. Senior System and Business Intelligence Officers consulting with other WCCIS sites (local authorities) and the National Team to support the data migration process.												
TBC	Train Business Intelligence staff and continue to develop their ability in building reports to access data and prepare reports using SQL databases and Power Bi.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>	SM	March 2025	Green (On Track)
ACTION UPDATE:	Several staff have completed a Power Bi training course and SQL skills are being shared across the team.												
TBC	Establish a program of data cleansing and continue to develop forms on the current digital solution to facilitate the migration of data to the new system.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SM	March 2025	Green (On Track)

CR18: WCCIS

Risk Action Ref.	Action	Risk Categories				Demonstration of 5 Ways of Working					Officer	Completion Date	Status
		Political & Resources	Service & Well-being	Reputation	Integration	Collaboration	Involvement	Prevention	Long-Term				
ACTION UPDATE:													