Meeting of:	**Governance and Audit Committee**
Date of Meeting:	**Monday, 24 March 2025**
Relevant Scrutiny Committee:	No Relevant Scrutiny Committee
Report Title:	Corporate Risk: Quarter 3 Update
Purpose of Report:	To update Governance and Audit Committee on the quarter 3 position of Corporate Risks for April 2024-March 2025 contained within the Corporate Risk Register as outlined in the Corporate Risk Summary Report.
Report Owner:	Tom Bowring, Director of Corporate Resources
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.

Executive Summary:

- This report provides Members with an overview of the Corporate Risk Register for Quarter 3 (April 2024-December 2024). The report also reflects the Strategic Leadership Team's (SLT) consideration of the recommendations made by this Committee following the quarter 2 period relating to several of the risks contained within the Corporate Risk Register.

- The Corporate Risk Register has a total of twelve identified risks with one risk scoring very high, four risks scoring high, four risks scoring medium/high, and three risks scoring medium.

Recommendations

1. That Committee note SLT's consideration of the responses to Cabinet's resolution following their consideration of the Governance and Audit Committee's referred comments (**Annex B)**.

2. That Committee note the Quarter 3 position of corporate risks (April 2024-December 2024) outlined in the Risk Summary report (**Annex A**).

3. That Committee refer any other comments to Cabinet for their consideration and endorsement at the meeting when Cabinet will consider this report.

Reasons for Recommendations

1. To identify the actions undertaken in response to Cabinet's resolutions and consider any further action required.

2. 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**.

3. To ensure Cabinet receives the comments of the Governance and Audit Committee when considering corporate risk.

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

SLT Response to Q2 G&AC recommendations

2.1 Annex B details the responses by SLT and risk owners to the comments made by this committee in quarter 2. Committee requested further consideration on a number of risks as follows:

- That procurement should be separated from the Financial Resources Risk and be a free-standing risk on the Corporate Risk Register

- That the scoring of the Financial Resources Risk be reconsidered and whether it warranted a higher risk score

- That the Welsh Community Care Information System Risk and the Climate Change and Nature Emergency Risk be looked at as a matter of urgency by Cabinet and the Council's Senior Leadership Team.

2.2 Following discussion at SLT and the relevant risk owner, it was felt that Procurement could be adequately managed within the existing Financial Resources risk framework. However, it was acknowledged that further information would be incorporated to ensure this part of the risk is sufficiently reflected. Having now been considered in more depth and broken down into three components, it is proposed that the procurement aspect is sufficiently reflected. The risk includes the following components: are Failure to comply with the Council's Contract Procedure Rules, Failure to meet with the requirements of the Procurement Act, Failure to meet with the requirements of the Social Partnership and Procurement Act.

2.3 Upon review, it is proposed that the current scoring of 12 (High) for the Financial Resources Risk is retained for the present but will be kept under review throughout the year in response to the evolving financial risk landscape. There is a balanced budget out for consultation with the Reshaping work prominent and work is underway to address the forward years of the MTFP. In year, the reliance on unplanned use of reserves has peaked but there is still a high level of concern about the actions of schools to manage their budgets.

2.4 The WCCIS risk has been reviewed including the rationale for the current risk scores and has been updated to reflect the recent procurement of a new social care information system. This has resulted in a change to the effectiveness of control scores for the political and legislative risk category.

2.5 The Project Zero Board agreed to elevate the Climate and Nature Emergency risk to catastrophic in category of service delivery and wellbeing. This does not change the overall outcome of the scoring but recognised the impacts on service and wellbeing of not delivering the plan and meeting the targets the Council has been set. At year end, the effectiveness of the controls in place to manage the climate risk will be reviewed e.g. the Carbon Management Plan, the Transformation Programme, and the Climate Change Challenge Plan.

Quarter Three Risk Updates

2.6 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 forecast direction of travel. It also provides a brief analysis of the emerging risk issues associated with risks on the Register.

2.7 There are currently 12 corporate risks on the Register. One risk has a score of very high, four risks score high, four risks score medium/high, and three risks score medium on the Register.

2.8 There has been an increase in the Additional Learning Needs risk reflecting the complex and challenging nature of the risk environment. The Housing and Homelessness risk has decreased following a re-evaluation during quarter three of the controls in place to mitigate this risk. The remaining risks have remained static during this quarter.

2.9 There are four risks on the Register that we forecast will increase over time. These are: Information and Cyber Security, Climate Change and Nature Emergency, Social Care Demand and Capacity and Physical Assets.

2.10 The Information and Cyber Security risk has a medium/high risk score of 9 and is forecast to increase from this position. While the Council is committed to managing cyber and information risks, financial and human resource limitations challenge its ability to implement strong controls and address these risks effectively. Towards the end of the last quarter, the website experienced an increase in Distributed Denial-of-Service (DDoS) attacks, indicating a rising trend in inherent risk as we move into the next quarter. However, with controls in place to mitigate this risk and plans to manage potential website downtime, residual risk is expected to remain manageable. While these recent attacks have been relatively minor, the targeting of UK councils highlights the potential for more significant disruptions in the future.

2.11 The Climate Change and Nature Emergency risk has a high-risk score of 12 and is forecast to increase from this position. The Project Zero Board agreed to elevate the risk to catastrophic in the category relating to service delivery and wellbeing. This does not change the overall outcome of the scoring but recognised the impacts on service and wellbeing of not delivering the plan and meeting targets. The Council faces increased pressure on financial resources and shrinking budgets, impacting its ability to invest in assets and programmes aligned with the Climate Change Challenge Plan, nature recovery activities, and achieving net zero by 2030. Affordability challenges affect key net zero programmes like Sustainable Communities for Learning. Insufficient funding to improve council housing stock could lead to missed targets and increased tenant costs. Limited asset renewal and decarbonisation funding may prevent us meeting CO_2 reduction targets. There are also risks of financial penalties for failing to meet energy efficiency and waste reduction targets which together with recruitment difficulties in key roles and insufficient resources to address severe weather impacts or biodiversity initiatives means that this continues to be a one of our most concerning corporate risks.

2.12 The Social Care Demand and Capacity risk has a high-risk score of 12 and is forecast to increase from this position. The Council faces significant challenges in social care due to insufficient funding and staff shortages. Critical services like child protection, residential care, and domiciliary care are struggling to manage increasing demand and complexity of needs. A lack of specialist staff is impacting on our ability to meet statutory functions, and limited capacity both internally and among external care providers hinders the ability to transform services for the future. The financial viability of external care providers is at risk, potentially leading to service disruptions and care provider failures. Short-term and unstable grant funding complicates the development of long-term integrated health and social care services. Workforce recruitment and retention issues affect the Council's ability to maintain quality of care, and complete timely assessments. There is additional pressure for service associated with winter pressures and increased acute health issues.

2.13 The Physical Assets risk has a medium/high risk score of 9 and is forecast to increase from this position. There is a risk that the Council is unable to manage and utilise assets appropriately to achieve the best value for money and service delivery including schools and highways. Failure to deliver the Sustainable Communities for

Learning programme on schedule could jeopardise future Welsh Government funding and the overall School Investment Programme. Additionally, budgetary constraints could undermine Net Zero commitments on Council assets. The ageing highway infrastructure, insufficient funds for resurfacing and repairs, and overspent hedge and bus shelter maintenance budgets further exacerbate resource strain. Moreover, ageing illuminated assets like streetlights are costly to maintain. The Community Asset Transfer (CAT) process also faces resource and funding challenges, including potential issues with covenants and planning. The Corporate Asset Management Plan highlights that current resources are insufficient to maintain Council assets at the level the Council would prefer, including a school maintenance backlog of £40M and a £50M requirement to achieve net zero for the estate.

2.14   We anticipate that the Digital risk will diminish over time with a current medium risk score of 4. Failing to effectively grasp the benefits of digital transformation, while also anticipating and mitigating the potential challenges poses a risk to the Council. However, the restructured Digital Team is focusing on transformation and service redesign utilising technology to deliver the best outcomes for residents. Work being undertaken by officers is providing effective controls to mitigate this risk.

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 Act 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.

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 Climate Change and Nature Emergency. This corporate risk is defined as failure to achieve the Welsh Government target of being net zero as an organisation by 2030 and to deliver the commitments in the Climate Change Challenge Plan which includes a range of activities that form our response to the climate and nature emergencies. The 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 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 Climate Change and Nature Emergency 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. Members will note a specific risk relating to financial resources and also its interrelation with other proposed corporate risks.

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

[Corporate Risk Management Templates Q3 24-25](#)

[Governance and Audit Committee 21st October Corporate Risk Register: Quarter 2 Update](#)

[Cabinet 7th November 2024 Q2 24-25 Risk Register 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:

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

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

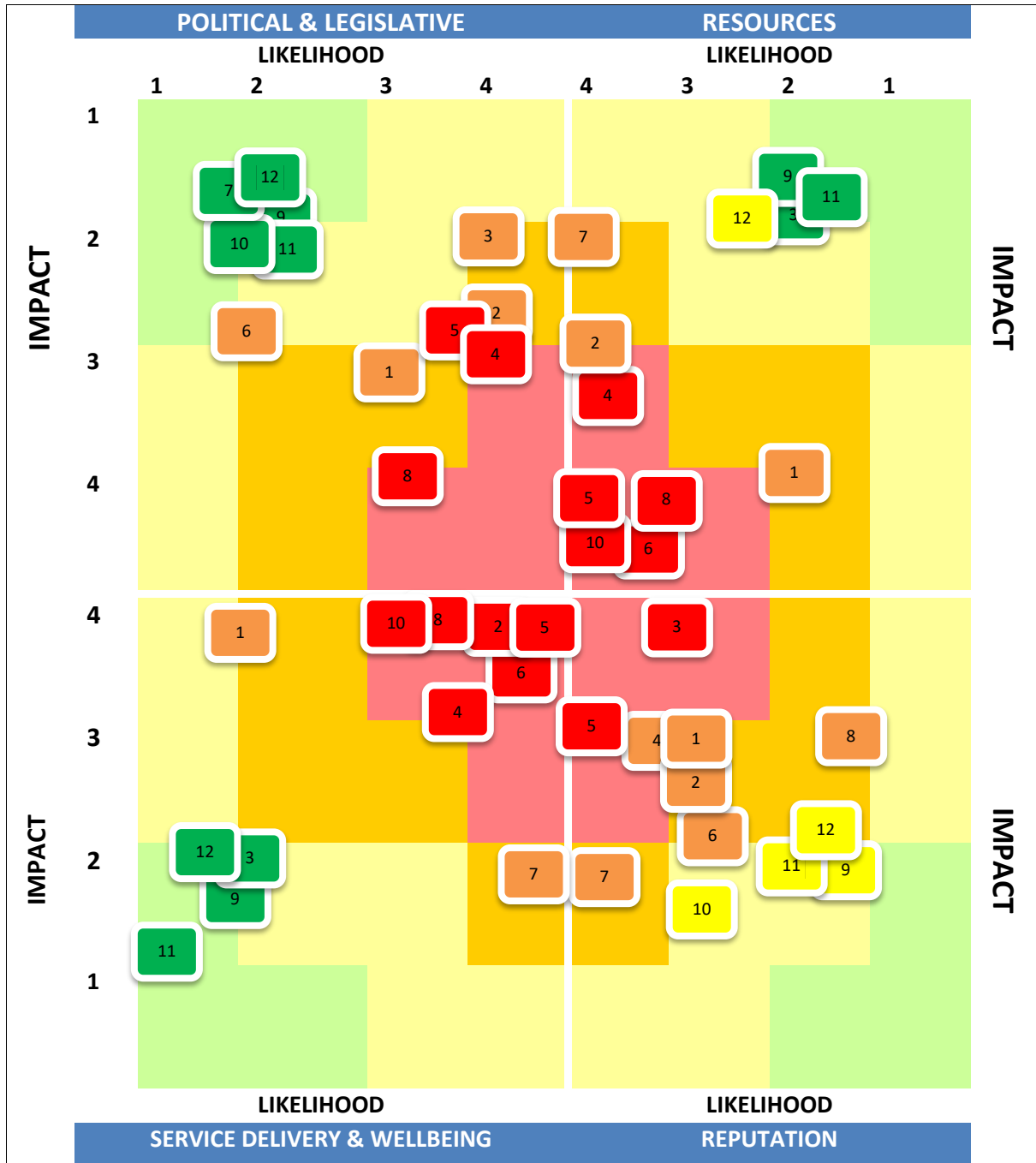| Score	Effectiveness of control
0	Very Low control of the risk
1	Low control of the risk
2	Medium control of the risk
3	High control of the risk
4	Very high control of the risk

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		
5	Additional Learning Needs	16 (H)	1 (M/L)	4	4	16 (VH)	↑ (red)	↔ (amber)
1	Financial Resources	16 (H)	2 (M/L)	3	4	12 (H)	↔ (amber)	↔ (amber)
2	Workforce and Organisational Change	12 (H)	1 (L)	4	3	12 (H)	↔ (amber)	↔ (amber)
4	Climate Change and Nature Emergency	12 (H)	1 (L)	4	3	12 (H)	↔ (amber)	↑ (red)
6	Social Care Demand and Capacity	16 (H)	2 (M/L)	3	4	12 (H)	↔ (amber)	↑ (red)
8	Housing and Homelessness	12 (H)	2 (M/L)	3	3	9 (M/H)	↓ (green)	↔ (amber)
10	Physical Assets	12 (H)	2 (M/L)	3	3	9 (M/H)	↔ (amber)	↑ (red)
3	Information and Cyber Security	12 (H)	4 (M)	3	3	9 (M/H)	↔ (amber)	↑ (red)
7	Transition from the Welsh Community Care Information System (WCCIS)	16 (H)	4 (M)	3	3	9 (M/H)	↔ (amber)	↔ (amber)
9	Delivery of Major Regeneration Projects	9 (M/H)	4 (M)	2	2	4 (M)	↔ (amber)	↔ (amber)
11	Digital	9 (M/H)	4 (M)	2	2	4 (M)	↔ (amber)	↓ (green)
12	Safeguarding	12 (H)	4 (M)	2	2	4 (M)	↔ (amber)	↔ (amber)

THEMATIC RISK HEAT MAP

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

POLITICAL & LEGISLATIVE **RESOURCES**

LIKELIHOOD LIKELIHOOD

1 2 3 4 4 3 2 1

IMPACT

1
2
3
4

4
3
2
1

IMPACT

LIKELIHOOD LIKELIHOOD

SERVICE DELIVERY & WELLBEING **REPUTATION**

LIKELIHOOD

Risk Reference Glossary					
1	Financial Resources	6	Social Care Demand and Capacity	11	Digital
				12	Safeguarding
2	Workforce and Organisational Change	7	Transition from the Welsh Community Care Information System		
3	Information and Cyber Security	8	Housing and Homelessness		
4	Climate Change and Nature Emergency	9	Delivery of Major Regeneration Projects		
5	Additional Learning Needs	10	Physical Assets		

Risk overview

One risk has a score of very high, four risks score high, four risks score medium/high, and three risks score medium on the Register.

Direction of Travel

There has been an increase in the Additional Learning Needs risk. The Housing and Homelessness risk has decreased. The remaining risks have remained static during this quarter.

Forecast Direction of Travel

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

Risks forecast to diminish

- **CR11 Digital:** The risk has a medium risk score of 4 and is forecasted to decrease from this position. Failing to effectively grasp the benefits of digital transformation, while also anticipating and mitigating the potential challenges poses a risk to the Council. Elements of our processes are increasingly requiring digitisation, and failure to develop our connectivity may result in an inability to deliver statutory requirements and reporting. Additionally, digital technology implementation costs can be significant and result in unplanned over-expenditure. The utilisation of data at an advanced level provides the ability to more accurately predict future events and therefore design services accordingly. Failure to do so will result in poor outcomes for long term provision. However, the restructured Digital Team is focusing on transformation and service redesign utilising technology to deliver the best outcomes for residents. Work being undertaken by officers is providing effective controls to mitigate this risk and therefore it is forecast to diminish.

Risks forecast to escalate

There are four risks on the Register that we forecast will increase over the year these are: **Information and Cyber Security, Climate Change and Nature Emergency, Social Care Demand and Capacity and Physical Assets.**

- **CR3 Information and Cyber Security:** The risk has a medium/high risk score of 9 and is forecast to increase from this position. The financial impact of data breaches could result in fines from the Information Commissioner's Office, increased insurance costs, and significant expenses related to correcting breaches and compensating affected individuals. Recovering from cyber-attacks could require costly third-party specialists and in-house resources, while the inability to generate revenue during recovery worsens the financial strain. Shrinking budgets and limited funding reduce the Council's ability to invest in necessary cybersecurity assets and programs. Legacy systems with vulnerabilities are at greater risk of exploitation by hackers, criminals, and unfriendly states. Budget constraints also limit access to essential cybersecurity skills, tools, backups, and disaster recovery capabilities, increasing the Council's exposure to attacks. While the Council is committed to managing cyber and information risks, financial and human resource limitations challenge its ability to implement strong controls and address these risks effectively. Towards the end of the last quarter, the website experienced an increase in Distributed Denial-of-Service (DDoS) attacks, indicating a rising trend in inherent risk as

we move into the next quarter. However, with controls in place to mitigate this risk and plans to manage potential website downtime, residual risk is expected to remain manageable. While these recent attacks have been relatively minor, the targeting of UK councils highlights the potential for more significant disruptions in the future

- **CR4 Climate Change and Nature Emergency**: The risk has a high-risk score of 12 and is forecast to increase from this position. The Project Zero Board agreed to elevate the risk to catastrophic in the section relating to service delivery and wellbeing. This does not change the overall outcome of the scoring but recognised the impacts on service and wellbeing of not delivering the plan and meeting targets. The Council faces increased pressure on financial resources and shrinking budgets, impacting its ability to invest in assets and programmes aligned with the Climate Change Challenge Plan, nature recovery activities, and achieving net zero by 2030. Affordability challenges affect key net zero programmes like Sustainable Communities for Learning. Insufficient funding to improve council housing stock could lead to missed targets and increased tenant costs. Limited asset renewal and decarbonisation funding may prevent us meeting CO_2 reduction targets. There are also risks of financial penalties for failing to meet energy efficiency and waste reduction targets which together with recruitment difficulties in key roles and insufficient resources to address severe weather impacts or biodiversity initiatives means that this continues to be a one of our most concerning corporate risks.

- **CR6 Social Care Demand and Capacity:** The risk has a high-risk score of 12 and is forecast to increase from this position. The Council faces significant challenges in social care due to insufficient funding and staff shortages. Critical services like child protection, residential care, and domiciliary care are struggling to manage increasing demand and complexity of needs. A lack of specialist staff is impacting on our ability to meet statutory functions, and limited capacity both internally and among external care providers hinders the ability to transform services for the future. The financial viability of external care providers is at risk, potentially leading to service disruptions and care provider failures. Short-term and unstable grant funding complicates the development of long-term integrated health and social care services. Workforce recruitment and retention issues affect the Council's ability to maintain quality of care, and complete timely assessments. There is additional pressure for service associated with winter pressures and increased acute health issues.

- **CR10 Physical Assets:** The risk has a medium/high risk score of 9 and is forecast to increase from this position. There is a risk that the Council is unable to manage and utilise assets appropriately to achieve the best value for money and service delivery including schools and highways. Failure to deliver the Sustainable Communities for Learning programme on schedule could jeopardise future Welsh Government funding and the overall School Investment Programme. Additionally, budgetary constraints could undermine Net Zero commitments on Council assets. The ageing highway infrastructure, insufficient funds for resurfacing and repairs, and overspent hedge and bus shelter maintenance budgets further exacerbate resource strain. Moreover, ageing illuminated assets like streetlights are costly to maintain. The Community Asset Transfer (CAT) process also faces resource and funding challenges, including potential issues with covenants and planning. The Corporate Asset Management Plan highlights that current resources are insufficient to

maintain Council assets at the level the Council would prefer, including a school maintenance backlog of £40M and a £50M requirement to achieve net zero for the estate.

Risks forecast to remain static
- **CR1 Financial Resources:** This risk has a high-risk score of 12 and is forecast to remain static from this position. Financial resources are the funds and assets that enable delivery of the organisation's activities. The associated risk is failure to deliver a balanced budget to sustain services both now and into the medium-term, for the reshaping programme to deliver the necessary savings and to secure external funding to support economic development. A lower-than-expected Welsh Government settlement would exacerbate the funding deficit, and place further pressure on identifying and achieving more savings, while school deficits deplete reserves. Challenges in forecasting future social care demand further strain financial stability and service delivery. Failing to maximise alternative methods of service delivery and mitigate budget reductions risks undermining service sustainability. Additionally, not adapting to the changing economic landscape and failing to effectively collaborate with key partners, including the Third Sector, could compromise the long-term viability and integration of services. This risk also considers the impact of procurement activities, namely, failure to comply with Council's Contract Procedure Rules, to meet with the requirements of the Procurement Act and the requirements of the Social Partnership and Procurement Act.

- **CR2 Workforce and Organisational Change**: This risk has a high-risk score of 12 and is forecast to remain static from this position. Failure to implement the Workforce Plan could harm the Council's efforts to increase apprenticeships, attract younger workers, and support its Equalities Strategy. Without action, the Council may struggle to meet future staffing needs and handle financial challenges. The Council already faces difficulties in recruiting and retaining skilled staff due to market pressures, especially in areas like Social Services and Neighbourhood Services. A lack of a pay strategy to address inflation may worsen these issues. Budget cuts limit workforce development, training, and recruitment efforts, which are vital for organisational change. Relying on temporary staff can cause inconsistencies in service delivery and increase stress on permanent employees. Staff morale is also at risk due to funding uncertainty and changing practices, potentially affecting service delivery and retention. Limited resources for upskilling may also hinder the Council's ability to support new operating models or digital transformation, impacting its ability to achieve long-term goals like the Reshaping Programme.

- **CR5 Additional Learning Needs:** The risk has a very high-risk score of 16 having increased this quarter from a risk score of 12 in the previous quarter reflecting the complex and challenging nature of the risk environment. It is forecast to remain static at this position. There is a risk that the local authority may not meet its statutory duties under the Additional Learning Needs and Education Tribunal Act 2018 due to insufficient resources and capacity. This could negatively affect vulnerable children and families who rely on support services. There are also insufficient resources and capacity to deliver a fully bilingual service, leading to unequal provision. Increasing numbers of children presenting with complex neuro diverse needs and social/emotional health difficulties are adding pressure, as is the demand for specialist staff support which impacts the capacity of small

specialist teams and affects the wellbeing of school-based staff. The council must prioritise preventative measures and long-term planning to support these vulnerable children.

- **CR7 Transition from the Welsh Community Care Information System (WCCIS):** This risk has a medium/high risk score of 9 and is forecast to remain static from this position. Failing to implement a replacement for CareDirector on time could lead to significant risks. These include inadequate information being available for officers, it could lead to data leaks, causing political instability and loss of credibility. If regional partners do not adopt the new system, key benefits like cost savings and shared care records will be more difficult to achieve. Failure to secure adequate funding from Digital Health and Care Wales (DHCW) or the Welsh Government, coupled with procurement delays, increases the risk of not implementing a replacement for CareDirector on time. Failure to fully develop the replacement digital solution for WCCIS could hinder service users' access to services and lead to data loss, affecting key service delivery. Delays in procurement increase these risks, and running on an unsupported system could create significant safeguarding risks for adults and children. These risks could lead to a loss of public confidence and trust and expose the organisation to criticism from external regulators such as Care Inspectorate Wales (CIW), the Welsh Government, and the Public Services Ombudsman for Wales (PSOW). Progress has been reflected within this quarter's update in relation to the recent procurement of a new social care information system. A contract has been awarded to Access UK Ltd on the 20th December 2024 for the Mosaic social care information system. A Connecting Care Project Board has been established to oversee local implementation.

- **CR8 Housing and Homelessness:** Following a re-evaluation during quarter three of the controls in place to mitigate this risk, the risk score has diminished from a high score of 12 to a medium/high score of 9 and is forecast to remain static at this position. Although resources remain a key challenge, the controls in place to mitigate the inherent risk posed within the other risk categories have proved to be more effective in managing the risk and in response, the overall risk to the organisation has decreased as a result. The risk remains characterised by a necessity to ensure an adequate supply of affordable housing to meet local needs and support vulnerable residents which failing to do so, could result in non-compliance with the Housing (Wales) Act 2014. This could lead to challenges from advocacy agencies, legal actions such as Judicial Review, and potential impacts on funding from the Welsh Government. In severe cases, it could prompt direct intervention from the Welsh Government in service delivery. Inadequate permanent housing solutions will put strain on services and lead to reliance on expensive temporary accommodations.

- **CR9 Delivery of Major Regeneration Projects:** This risk has a medium risk score of 4 and is forecast to remain static. Failing to deliver large-scale regeneration projects on time and within criteria could harm the Council's economic resilience, future job growth potential, and lead to political fallout. Current funding from the UK Government includes £20 million for Barry Making Waves, £20 million for the Long Term Plan for Towns, and approximately £14 million from the Shared Prosperity Fund. Inadequate capacity, resources, and expertise could prevent the Council and its partners from meeting commitments in key schemes and plans, such as the Local Development Plan and Carbon Management Plan. Additionally, changes in government priorities and the closure of the Levelling Up Fund

without a replacement could further hinder progress and funding. Failing to deliver large-scale regeneration projects could damage the Council's ability to attract future funding and form partnerships. This, combined with shrinking real-term budgets, increases pressure on financial resources and limits investment in regeneration assets and programmes.

- **CR12 Safeguarding:** The risk has a medium score of 4 and is forecast to remain static from this position. There is a risk that the Council and other organisations may not be able to meet their legal duties to protect people from neglect or abuse. Failure to comply with key legislation, such as the Wales Safeguarding procedures, could lead to legal or political consequences. There is also a risk that the Council's safeguarding procedures may be inadequate or not followed, and that external providers may fail to meet their responsibilities in protecting vulnerable people. There is a risk of failing to protect vulnerable groups due to challenges in recruiting and retaining enough qualified workers. Additionally, inadequate information-sharing systems may prevent safeguarding concerns from reaching the right people promptly. Additionally, increased incidences of family abuse, neglect and domestic violence, places increased pressure on our safeguarding services.

Governance & Audit comments	SLT /Officer Response
That procurement should be separated from the Financial Resources Risk and be a free-standing risk on the Corporate Risk Register	Previously the Financial Resources risk considered procurement within the Political & Legislative risk category, namely, "*Failure to meet the requirements of the Procurement Act 2023 and Social Partnership and Public Procurement (Wales) Act 2023, specifically publish procurement and contract award notices, publish the contract register, supporting SMEs and ensure prompt payments.*" There were limited mitigations outlined within the controls of inherent risk. Following discussion at SLT, it was felt that Procurement could be adequately managed with the existing framework of the Financial Resources risk by considering the risk in more depth, broken down into three components: • Failure to comply with the Council's Contract Procedure Rules • Failure to meet with the requirements of the Procurement Act which goes live 24th February and will replace the Public Contract Regulations (PCR 2015) in Wales, England and Northern Ireland. The Act provides a simpler, flexible and more transparent system. • Failure to meet with the requirements of the Social Partnership and Procurement Act which will come into effect later in the year. This creates a statutory duty to consider socially responsible public procurement when carrying out procurement to improve the economic, social, cultural and environmental well-being of people in Wales.
That the scoring of the Financial Resources Risk be reconsidered and whether it warranted a higher risk score	Upon review, it is proposed that the current scoring of 12 (High) for the Financial Resources Risk is retained for the present but will be kept under review throughout the year in response to the evolving financial risk landscape. We have a balanced budget out for consultation with the Reshaping work prominent and work is underway to address the forward years of the MTFP. In year, the reliance on unplanned use of reserves has peaked but there is still a high level of concern about the actions of schools to manage their budgets.
That the Welsh Community Care Information System Risk be looked at as a matter of urgency by Cabinet and the Council's Senior Leadership Team.	The WCCIS risk has been reviewed including the rationale for the current risk scores and has been updated to reflect the recent procurement of a new social care information system. A contract has been awarded to Access UK Ltd on the 20th December 2024 for the Mosaic social care information system. This has resulted in a change to the effectiveness of control scores for the political & legislative risk category. The risk management plan has also been updated to reflect this progress and details the steps to be taken going forward including the establishment of a Connecting Care Project Board to oversee local implementation.
That the Climate Change and Nature Emergency Risk be looked at as a matter of urgency by Cabinet and the Council's Senior Leadership Team.	This risk was discussed by the Project Zero Board and their views were then shared with SLT. Currently the risk is at a level similar to risk in other areas of the Council's activities e.g. social care demand, housing and homelessness and financial resources. Catastrophic covers for example complete failure of political infrastructure resulting in the organisation going into 'Special Measures' and immediate risk of life. For most aspects of risk, we don't meet the definition catastrophic but for service delivery and wellbeing the definition includes extensive detrimental impact on the environment, community and the local economy.

Governance & Audit comments	SLT /Officer Response

Governance & Audit comments	SLT /Officer Response
	The Project Zero Board agreed to elevate the risk to catastrophic in the section relating to service delivery and wellbeing. This does not change the overall outcome of the scoring but recognised the impacts on service and wellbeing of not delivering the plan and meeting targets. At year end, the effectiveness of the controls in place to manage the climate risk will be reviewed e.g. the Carbon Management Plan, the Transformation Programme, the Climate Change Challenge Plan.

Governance & Audit comments	SLT /Officer Response
	The Project Zero Board agreed to elevate the risk to catastrophic in the section relating to service delivery and wellbeing. This does not change the overall outcome of the scoring but recognised the impacts on service and wellbeing of not delivering the plan and meeting targets.