

THE VALE OF GLAMORGAN COUNCIL

CABINET: 13TH APRIL, 2023

REFERENCE FROM GOVERNANCE AND AUDIT COMMITTEE: 27TH FEBRUARY, 2023

“752 CORPORATE RISK REGISTER QTR 3 UPDATE (CX) –

The report provided Members with an overview of the Corporate Risk Register for Quarter 3 (April 2022-December 2022). A risk analysis was incorporated within the Corporate Risk Summary Report (attached at Annex A to the report). This enabled officers and Members to identify and assess trends and the cross-cutting nature of risks with the ability to drill down to the detail of risks as and when required.

The Director of Corporate Resources stated that of the seventeen corporate risks on the Register, six risks scored high, two risks scored medium/high, eight risks scored medium and one risk scored medium/low.

There had been some small movement in risk statuses during the third quarter of the year. The Project Zero risk had increased from a medium risk position (6) to a high status (12) reflecting the challenging circumstances. By contrast the Brexit risk had decreased from a medium/high position (9) to a medium status (6).

In terms of forecast direction of travel, it was anticipated that the legislative change and local government reform and integrated health & social care and Brexit risks would continue to diminish over time. The financial fragility risk, Project Zero, information security, market fragility and demand management and workforce risks were all anticipated to maintain an upward trajectory.

At the end of quarter 3, of the 329 actions, a total of 92.3% (301) actions were Green (on track/completed) and 2.5% (8) were allocated an amber status for minor slippage and 5.2% (17) were allocated a red status to reflect slippage.

Mr. N. Ireland (Lay Member) referred to the areas where the risks had reduced asked for some clarity around whether it was the inherent risks or the residual risks that had reduced. Mr. Ireland also asked for clarity around duplication of risks and those such as Brexit and Covid-19 which had become ‘business as usual’, and he queried whether a further development workshop on the Risk Register would be arranged. In reply, the Director stated that consideration could be given around how the Council present movement within risks, as sometime it was as a result of the inherent nature while others it was down to the effectiveness of the controls put in place. It would therefore be useful for the Committee to understand on what basis the risk were changing, particularly in relation to the residual risk scores. With regard to duplication within risks, one of the things that was going to be discussed by the leadership team was what were the kinds of risks on the Council’s horizon and how did they overlap with one another. This was difficult when it came to those

standalone risks such as Financial Fragility as that also linked in to demand management. Therefore, the Council was exploring approaches adopted by other Council's, which had meant that there had been a delay in arranging a workshop for members. As that piece of work was completed, a workshop would be arranged for Members to test some of the approaches identified.

Mr. M. Evans (Lay Member), referred to Brexit and commented that as a risk this was disappearing for his organisation. Mr. Evans queried scenarios where the risk score suggested the effectiveness of some of the controls in place, but where the residual risk score was the same as the inherent risk score. The Director advised that it was something that could be explored at the development workshop. He added that there were a few scenarios like the one described and where the Council had a statutory duty to provide services in certain ways.

Councillor E. Goodjohn commented that the Register could illustrate more the compounding impacts across risks. He stated that one aspect that could be added to the Register was effective communication and ensuring that the public understood why certain decisions or actions had been made or carried out. In reply, the Director advised that compounding impacts and having individual risks that were meaningful and accessible were areas that he wanted to develop. That included looking at how risks were interrelated. With regard to better communication, the Director advised that within the Project Zero risk, there was reference to ensuring that the key messages were sent to staff and members of the public. A key part of Council engagement was the Public Participation Strategy which set out how the Council would carry out ongoing public consultation.

Councillor N. Wood queried the severity of some of the risks on the Register, referring to Financial Fragility which would have a catastrophic impact on the Council, where as some risks would not have the same impact level. In response, the Director advised that the Council provided a large variety of services which meant that there were lots of different risks. Some were immediate risks, such as Financial Fragility, and some risks such as Legislative Reform had reduced over time as new approaches to service delivery had been developed. The important part of the Register was to bring all the risks into a central place.

With regard to developing the Register, the Director stated that the way that mitigating actions were presented would be looked into and was something that could be considered during the development workshop event. The Head of the Regional Internal Audit Service, commented that being party to other Council's Registers, he could see that the scoring of some risks was very similar to the Vale's. He added that the Register could potentially be streamlined further but it was important that it reflected the impacts and the likelihood of the extents of those issues facing the Council, some of which would be fully outside its control.

The Chair queried progress in relation to the Information Security risk and the review undertaken against General Data Protection Regulations (GDPR). In reply, the Director advised that the commentary within the Register reflected the position at the end of Quarter 3, but he confirmed that the Action Plan, developed in response to an Audit Wales review, was progressing at pace.

In reply to a query regarding resources to complete action H/RA017 and provide training for staff and members on climate change, the Director stated that there had been a number of temporary absences within the Organisational Development Team. The Team was now back up to full strength and staff were being given the necessary tools and knowledge to raise awareness and challenge behaviours etc. Staff from all Council Directorates had been brought together to access the appropriate training.

There being no more queries or comments, the Committee

RESOLVED –

(1) T H A T the Quarter 3 position of corporate risks (April 2022-December 2022) outlined in the Risk Summary Report (attached at Annex A to the report) be noted.

(2) T H A T Cabinet be requested to endorse the views expressed by the Governance and Audit Committee, those being:

- For a Risk Register development workshop to be held with Members.
- For consideration to be given to:
 - how mitigating actions and their associated impacts are presented,
 - ensuring that the residual scoring mechanism is robust and accurately reflects the risks to the Council, and
 - how compounding impacts associated with multiple risks are presented.

Reasons for decisions

(1) Having regard to the content of the report and discussions at the meeting.

(2) To seek Cabinet’s endorsement of the views expressed by the Governance and Audit Committee.”

Attached as Appendix – Report to Governance and Audit Committee: 27th February, 2023

Meeting of:	Governance and Audit Committee
Date of Meeting:	Monday, 27 February 2023
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Corporate Risk Register Qtr3 Update
Purpose of Report:	To update Governance and Audit Committee on the quarter 3 position of Corporate Risks for April 2022-December 2022 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 Resources
Elected Member and Officer Consultation:	Consultation has been undertaken with designated Corporate Risk Owners and the Strategic Leadership Team.
Policy Framework:	The proposals are within the Council's Policy Framework.
Executive Summary:	
<ul style="list-style-type: none"> This report provides members with an overview of the Corporate Risk Register for Quarter 3 (April 2022-December 2022). A risk analysis is incorporated within the Corporate Risk Summary Report (Annex A). This enables officers and Members to identify and assess trends and the cross-cutting nature of risks with the ability to drill down to the detail of risks as and when required. 	

Recommendations

1. Note the Quarter 3 position of corporate risks (April 2022-December 2022) outlined in the Risk Summary Report ([Annex A](#))
2. Refer any other comments to Cabinet for their consideration and endorsement at the meeting for Cabinet to consider 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 to consider 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 whilst giving them the ability to drill down to the detail of the Register.

2. Key Issues for Consideration

- 2.1 The Corporate Risk Summary Report ([Annex A](#)) is split into the following sections:
- 2.2 **Section 1 Risk Descriptions:** This section details each risk listed on the Register along with a brief description of the risk in terms of its scope. More detailed descriptions of the multiple facets of each risk relative to each of the risk categories (of Political & Legislative, Resources, Service Delivery & Well-being and Reputation) are provided in the Register itself. Within Section 1 of the report officers and members can drill down to the detail of individual risks in the Register quickly and easily by using the document link to the relevant Appendices in the report. This section also explains the risk scoring definitions in terms of what is meant by an inherent, residual and effectiveness of control risk score. It also outlines the risk scoring matrix that is used to score residual risk and a risk scoring mechanism for scoring the effectiveness of our controls.
- 2.3 **Section 2 Corporate Risk Register Summary:** 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. This section of the report provides an analysis of the emerging risk issues associated with risks on the Register.

- 2.4 Section 3 Overall Risk Heat Map:** uses a risk matrix quadrant to plot the residual risk scores in terms of likelihood and impact for each corporate risk in order to illustrate the distribution of corporate risks on the heat map. This section flags any key trends or issues in relation to the distribution of risk on the matrix.
- 2.5 Section 4 Thematic Heat Map:** uses a similar risk matrix quadrant to plot the residual risk scores for each corporate risk by risk category. This provides a more holistic illustration of the distribution of risk by the different risk categories enabling a better understanding of the inter-relationship between risk themes. This also enables officers and members to view risk in a more cross-cutting/strategic light to identify if there is any need to address facets of risk through council-wide mitigating activity.
- 2.6 Section 5: Corporate Risk Analysis:** This provides an overview and analysis of key aspects of risk in terms of the key risk issues to note in relation to the status of risks, direction of travel, forecast direction of travel and evolving risk developments .
- 2.7 Section 6 Risk Management Plan:** Provides an overview of the progress made against the Risk Management Plans for each Corporate Risk. There is a Risk Management Plan aligned to each Corporate Risk that contain a series of actions to help mitigate the risk. By monitoring the status of these Risk Management Plans and in particular the RAG status of the mitigating actions we are able to identify areas where progress against actions is having a positive effect or in some cases is having a negligible effect. Equally the Risk Management Plan enables officers and members to flag risks where progress against actions has been slow/which may warrant further investigation.
- 2.8 Section 7 Risk Action Exceptions:** This section provides reporting by exception (i.e. mitigating actions aligned to each corporate risk that have been assigned a red status for their progress). This enables officers and members to quickly identify and interrogate actions reporting a red status in relation to each risk. It lists each corporate risk and any corresponding actions that have a red RAG status and provides the corresponding commentary relating to that quarter.
- 2.9** There are 17 corporate risks on the Register. Six risks scored high, two risks scored medium/high, eight risks scored medium and one risk scored medium/low on the Register.
- 2.10** There has been some small movement in risk statuses during the third quarter of the year. The Project Zero risk has increased from a medium risk position (6) to a high status (12) reflecting the challenging circumstances we are currently operating in. By contrast the Brexit risk has decreased from a medium/high position (9) to a medium status (6).
- 2.11** In terms of forecast direction of travel, we anticipate that the legislative change & local government reform and integrated health & social care and Brexit risks will continue to diminish over time. The financial fragility risk, Project Zero, information security, market fragility and demand management and workforce risks are all anticipated to maintain an upward trajectory.

- 2.12** Good progress has been made during quarter 3 in relation to mitigations (actions) associated with the Risk Management Plans across all aspects of the Register. In total there are 329 mitigating actions currently being monitored via the Register. The majority of these are aligned to Corporate Plan Service Plan activity. During quarter 3, we have been able to assign a RAG status to 326 of these mitigating actions. Where it has not be possible to note a RAG status for an action, this is noted as N/A (not applicable) against the action in the Risk Management Plans.
- 2.13** At the end of quarter 3, a total of 92.3% (301) actions were Green (on track/completed) and 2.5% (8) were allocated an amber status for minor slippage and 5.2% (17) were allocated a red status to reflect slippage.
- 2.14** The Corporate Risk Summary Report is attached at [Annex A](#) . The Corporate Risk Register is published in full as [Annex B](#) which outlines the nature of each Corporate Risk in full.

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](#)



VALE OF GLAMORGAN COUNCIL

CORPORATE RISK SUMMARY REPORT

QUARTER 3 APRIL 2022- DECEMBER 2022



RISK DESCRIPTIONS & DEFINITIONS

Risk Ref	Risk	Scope
CR1	Financial Fragility Appendix 1	Inability to achieve/sustain a balanced budget and deliver key savings to address the financial challenges that lie ahead.
CR2	Legislative Change & Local Government Reform Appendix 2	Inability to appropriately respond/adapt to new and emerging legislative change and reform developments across the breadth of Council services.
CR3	School Reorganisation & Investment Appendix 3	Inability to invest in improving and developing the quality of our school buildings. This could result in schools no longer being 'fit for purpose' and not meet the Welsh Government's '21 st Century Schools' agenda. Failure to effectively plan and provide sufficient school places to meet demand in relation to both English and Welsh Medium provision.
CR4	Waste Appendix 4	Failure to fund the national waste agenda and its associated targets.
CR5	Workforce Needs Appendix 5	Inability to anticipate and plan for workforce needs in the future in order to meet the changes in demand and provision of services.
CR6	Information Security Appendix 6	Failure to implement adequate information management controls and systems across the Council.
CR7	Project Zero Appendix 7	Failure to reduce our carbon footprint and mitigate against the impact/effects of climate change.
CR8	Cost of Living Appendix 8	The inability to effectively target our resources to reach those most in need and in particular to identify any areas of unmet need and the impact this has on demand management for our services. 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 our key priorities.
CR9	Public Buildings Compliance Appendix 9	Failure to comply with our statutory responsibilities for ensuring the health, safety and welfare of both our staff and citizens when using Council owned and leased assets.
CR10	Safeguarding Appendix 10	Failure to meet our statutory responsibilities for responding effectively to situations where people are at risk of neglect or abuse.
CR11	Integrated Health & Social Care Appendix 11	Inability to develop, commission and implement alternative models of service delivery that fully integrate how we deliver health and social care services across organisational boundaries and on a regional footprint.
CR12	DoLS Appendix 12	Failure to effectively safeguard adults who are at risk of deprivation of liberty.
CR13	Brexit Appendix 13	Failure to effectively identify and respond to the changing policy and legislative landscape as a result of 'Brexit' and the impact this has on our ability to deliver services to our citizens.
CR14	Additional Learning Needs (ALN) Appendix 14	Capacity and capability to effectively meet the Additional Learning Needs of our learners from birth to 25. The key driving forces associated with this risk relate to growth in demand, our capacity and financial viability to meet growing needs which have been further compounded by the impact of new responsibilities and duties arising from the ALN Act.
CR15	COVID-19 Appendix 15	Ability to address longer term impact of COVID on demand for our services, and the impact on our citizens and communities. E.g. rising demand, complexity of needs, downturn in the economy, unemployment, poverty, lower educational attainment, long term health and social care issues, as well as the emergence of inequalities across BAME groups.
CR16	Market Fragility Appendix 16	Market fragility describes the weaknesses/vulnerabilities in the social care sector to provide social care services. Most of these vulnerabilities relate to operational capacity linked to financial and/or workforce related challenges.
CR17	Demand Management & Service Capacity Appendix 17	The key risk aspects of this risk can be defined as insufficient social care capacity to meet the significant growth in demand for social care services. This is not just in the context of the volume of demand, but also the severity and complexity of need.

Direction of travel compares residual risk score for the current quarter with the previous quarter to indicate whether the risk is increasing/ decreasing or staying static.

Forecast direction of travel anticipates the future direction of the risk by taking into account factors that are likely to impact on it

↑ Risk increasing, ↓ Risk is decreasing, ↔ Risk remaining static

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>
<small>Low 1-2 Low/Medium 3 Medium 4-6 Medium/High 8-10 High 12-16</small>		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

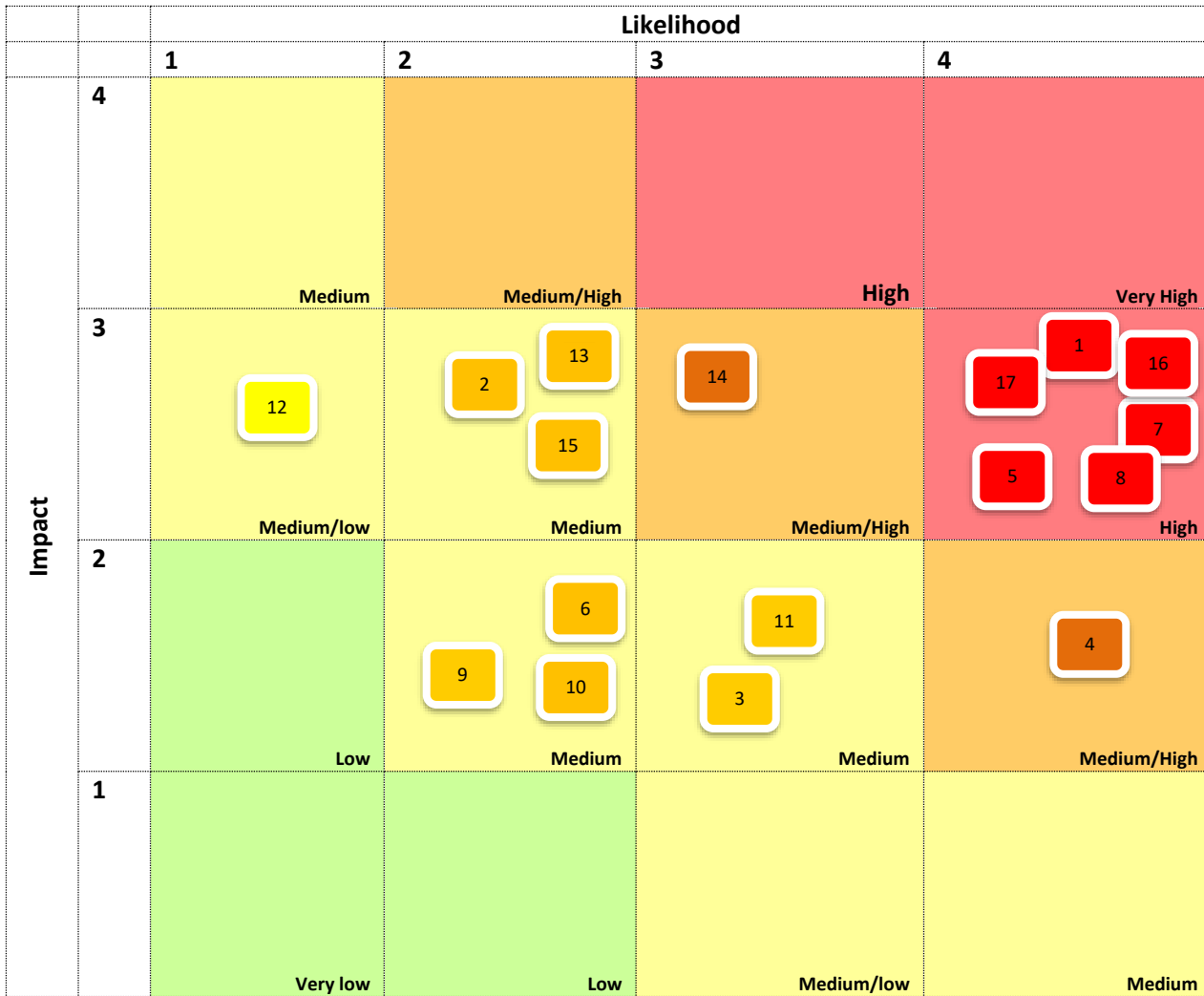
CORPORATE REGISTER SUMMARY

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	2	6 (M)	↔	↔
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)	2	2	4 (M)	↔	↑
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	9 (M/H)	2 (M/L)	3	3	9 (M/H)	↔	↔
15	COVID-19	12 (H)	2 (M/L)	2	3	6 (M)	↔	↔
16	Market Fragility	12 (H)	1 (L)	4	3	12 (H)	↔	↑
17	Demand Management & Service Capacity	12 (H)	1 (L)	4	3	12 (H)	↔	↑

RISK HEAT MAP

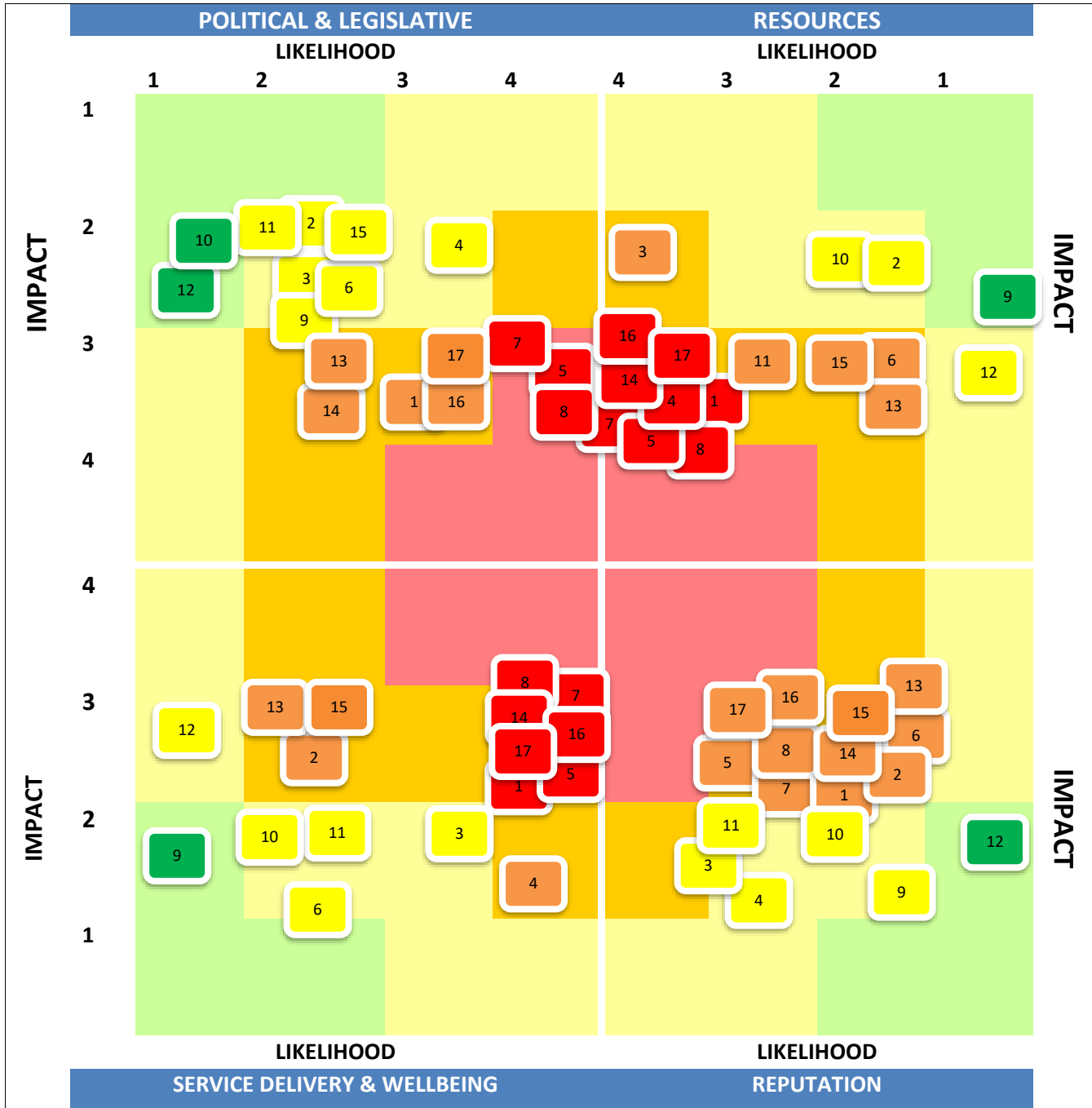
The heat map below uses a risk matrix quadrant to plot the residual risk scores (based on likelihood and impact) of each Corporate Risk to provide an illustration of the groupings of risks within the heat map.



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		
4	Waste	9	Buildings compliance	14	Additional Learning Needs		
5	Workforce Needs	10	Safeguarding	15	Covid-19		

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		
4	Waste	9	Buildings compliance	14	Additional Learning Needs		
5	Workforce Needs	10	Safeguarding	15	Covid-19		

RISK ANALYSIS

The section of the report provides an analysis of the position of risks on the Corporate Risk Register in terms of their overall risk status including their congregation on the heat maps, direction of travel and their and forecast trajectory. This section of the report also draws attention to corporate risks that are emerging/evolving which require further analysis.

Risk Overview

Six risks score high, two risks score medium/high, eight risks score medium and one risk scored medium/low on the Register. During the third quarter of the year, there has been some movement in risk statuses in relation to Brexit and Project Zero.

Direction of Travel:

The majority of risks on the Register have maintained their static position during the period with the exception of CR7: Project Zero and CR13: Brexit.

CR7 Project Zero

- The Project Zero risk has increased from a risk score of Medium (6) to a score of 12 giving it a high status. This elevation in risk score reflects the increasingly challenging circumstances we are operating in. This upward trajectory is reflective of the scale of both organisational and community change needed to reach our net zero goal by 2030. Further work is needed to maintain the momentum of the work programme to ensure that we can deliver the actions as set out in the Challenge Plan, as it is vulnerable to the effects of the financial fragility risk. At a time when our we are increasingly looking to make financial savings, this has the potential to impact on the viability of some of our ambitious Project Zero programmes of work such as capital investment in new technologies/equipment etc. To help mitigate against these financial challenges the latest [Project Zero update report](#) highlighted that funding from reserves will be ringfenced to support delivery the Project Zero Programme. Findings from the 2021/22 [Assurance and Risk Assessment review of the Council](#) by Audit Wales recommended that in order to meet our net zero ambitions by 2030 that a fully costed action plan be developed aligned to the Medium-Term Financial Plan. This costing exercise will be undertaken alongside our consideration of how reserves should be utilised for the programme. As part of this process we will need to consider potential sources of funding / financial streams to ensure the Council is leveraging the funding needed alongside its revenue and capital budgets to deliver the Project Zero Challenge Plan over the medium to long-term. This work would enable the Council to address the Audit Wales' recommendation, to fully cost the Project Zero action plan and ensure it was aligned with the Medium-Term Financial Plan.
- The inter-connective nature of our key corporate risks, such as cost of living and financial fragility present a significant threat to Project Zero and our ability to meet our net zero goal. The rising cost of living is also likely to impact on our ability to empower citizens to change their behaviours and take an 'active role' in achieving our net zero goals.
- The other key area of challenge is that the majority of our carbon emissions are generated through our supply chain. Therefore, our ability to decarbonise good/services is significantly challenging especially when we increasingly look to ways in which we can procure supplies and services over a more localised footprint in order to support/boost our local economy. However, in so doing many of the third parties we contract with are small businesses that may lack the capacity and investment for carbon reduction. Although the new Procurement Strategy and policy will put a greater emphasis on developing contracting arrangements that take account for the climate change agenda and the need to achieve carbon reduction, this will still remain an area of ongoing challenge.

CR13 Brexit

- The Brexit risk score has decreased from its medium/high risk score of 9 to a medium status (6). Although, the risks associated with Brexit still remain. The immediate concerns associated with the risk have been dissipated by the approval of the EU-UK Trade and Cooperation Agreement that was signed on the 30th December 2020.
- Although there are some risk areas outstanding such as the Northern Ireland Protocol and the dispute over fishing rights, the risks these present to the Council and our citizens as a whole have significantly diminished.
- Instead we are now seeing issues such as supply chain disruption, inflationary prices and staff shortages as a result of Brexit. However, these issues are no longer being solely driven by Brexit alone but are predominately fed by risks such as the cost of living, the war in Ukraine and the challenging economic and financial climate.
- The revised risk score is reflective of the current threat landscape. The risk will continue to remain on the Register to ensure Senior Leadership Team, Cabinet and all Members have oversight of the risk and any future developments.

Forecast Direction of Travel:

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

Risks forecast to diminish

- Legislative Change, Integrated Health and Social Care and Brexit risks are forecast to drop.
- It is forecast that **the Legislative Change and Local Government Reform risk** will continue to decrease over time. In line with last quarter's update, some duties outlined in the Local Government and Elections (Wales) Act 2021 have come into force and have now been implemented. This risk is likely to decrease further once the remaining duties of the Act become embedded.
- The **Integrated Health and Social Care** risk is forecast to continue to maintain its downward trajectory as the focus continues to be on the development and implementation of a new 'Alliance Model.'
- **The Brexit risk** is forecast to continue to move in a downward trajectory reflecting how the supply chain issues, inflationary pressures and staffing shortages are no long due to Brexit alone but are the result of the interaction of other risks associated with the cost of living, the war in Ukraine and economic and financial uncertainty.

Risks forecast to escalate

- There are six risks on the Register that we forecast will increase over the year, these are: information security, market fragility, demand management, financial fragility, workforce and Project Zero.
- **Market Fragility** and **Demand Management** risks remain on an upward trajectory in response to the ongoing capacity pressures facing both the Council and the externally commissioned care market. The pressures currently being witnessed across the NHS are being driven strongly (but not exclusively) by the severe capacity challenges across the social care. For example, there is lack of social care capacity in communities at a time when demand for social care is rising. In turn this is impacting on the ability of hospitals to discharge otherwise medically fit patients, which impacts on patient flow through the hospital and consequently bed capacity. Despite Social Services putting a raft of mitigations in place, it is not sufficient to fully mitigate against the capacity and demand pressures facing social care. Many of the issues remain outside our immediate control and requires whole scale reform of the social care system.
- **Information security** – This risk continues to maintain its upward trajectory. Although the Council has invested in its cyber resilience, the threat landscape continues to evolve, so requires ongoing monitoring to review and assess what further mitigations may be required.

- **Financial fragility**- Despite having a better than anticipated financial settlement from Welsh Government at the end of Qtr3, we anticipate this risk still has the potential to escalate. Going forward the Council will be focusing on setting its budget, whilst delivering on our savings. This is going to continue to put pressure on our finances into the medium-term period.
- 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.
- It is forecast that the **Project Zero** risk will maintain its upward trajectory exposing the scale of the challenge ahead in meeting our net zero goals by 2030. At present, there are not sufficient resources at our disposal in order to change behaviours and processes.

Heat Maps Overview

- The heat map for quarter 3 shows that the greatest number of risks continue to congregate at a medium status. However, as noted in previous quarters we have begun to see a shift in a proportion of risks moving into the high quadrant of the of the heat map. These include the workforce, cost of living, market fragility and demand management risks. Also, the recently redefined financial fragility risk has been allocated to the high end of the heat map.
- In terms of heat map positions based on the risk categories of political and legislative, resources, service delivery and wellbeing and reputation, the majority of risks continue to congregate around medium across all risk categories. However, as per last quarter there has been the emergence of a greater concentration of red (high) status risks in the resources and service delivery-based aspects of risks particularly in relation to the financial fragility, workforce, waste, Project Zero, cost of living, ALN, market fragility and demand management risks.
- The cost-of-living risk remains high (residual score of 12) across three of the four risk categories for political/legislative, resources and service delivery and wellbeing aspects of the risk. This continues to reveal the scale and cross-cutting impact the crisis is having not just on the Council but on our communities as a whole. It is also reflective of how despite putting in a variety of mitigations to support our citizens and staff, the limited control we have over fully mitigating this risk.
- The financial fragility risk has maintained its high status (residual risk score of 12) across two risk categories in relation to resources and service delivery and wellbeing and allocated a medium/high status in relation to political/legislative and reputation. This reflects the cross-cutting impact the cost-of-living crisis has had on our finances in terms of inflationary cost pressures, but also on uncertainty associated with funding and anticipated austerity that lies ahead. This presents a risk not only to our resources but to all aspects of service delivery, our political and legislative functions and to our reputation. This will require the council to work more innovatively to explore ways in which services can be sustainably delivered in the future.
- The ALN risk has a high status (residual risk of 12) across two risk categories of resources and service delivery and wellbeing). The Local Authority faces significant resource pressures from the ALN Act, as it places ultimate duty on local authorities to meet the ALN needs of children and young people. Additional resource and service delivery pressures are related to the expectation that the new ALN system will be truly bilingual. This kind of parity in provision is challenging in terms of the recruitment of bilingual staff, and the lack of specialist materials, assessments and specialist provision available through the medium of Welsh. There continues also to be significant uncertainty around how the new reform will work in meeting the needs of post-16 and the financial pressure this would put on our resources. The growing demand for ALN provision in relation to children and young people with complex autism and those with social and emotional health difficulties is further adding pressure on our resources and capacity to meet

their needs. Developing sufficient provision will remain an ongoing challenge for the service. Another pressure point is in relation to the recruitment and retention of ALNCOs in schools. Rising demand is putting existing ALNCOs under pressure and consequently many have resigned due to the lack of staffing capacity to meet the growing need.

- The workforce risk is in the high category of the quadrant (with a residual score of 12) across three risk categories (Political & Legislative, Service Delivery & Well-being and Reputation) this reflects that staff capacity and turnover continue to remain an area of primary concern affecting multiple aspects of our business. A lack of staff capacity and high turnover impacts on our ability to meet our statutory functions and challenges our capacity to deliver services effectively and maintain our reputation. This sustained pressure on our workforce capacity impacts negatively on the wellbeing of our staff, which in turn could result in higher turnover/absences.
- The Project Zero risk is in the high category of the quadrant (with a residual score of 12) across three of the four risk categories Political & Legislative, Resources and Service Delivery & Well-being), in recognition of the considerable challenge that lies ahead in securing sufficient resources, skills and capacity to enable us to meet our net zero goals by 2030. This risk is vulnerable to the effects of the financial fragility, cost of living and workforce risks.
- Both the market fragility and demand management & service capacity risks maintained a high-risk status (12) across all four risk categories. Despite putting a series of controls in place there are ongoing challenges that are outside our control and as such these controls are having a limited impact on the risk overall.

RISK MANAGEMENT PLAN- RAG STATUS OVERVIEW

The table below provides an overview of progress against the Risk Management Plans for each Corporate Risk.

- 92.3% (301) of actions were allocated a green status (completed or on track), 2.5% (8) were allocated an amber status for minor slippage and 5.2% (17) were allocated a red status (slipped) at the end of quarter 3.
- 100% of risk actions contained in the Risk Management Plans for Legislative Change & Local Government Reform, School Reorganisation & Investment, Waste, Public Buildings Compliance, Safeguarding, Integrated Health and Social Care, Unauthorised Deprivation of Liberty, Brexit, Additional Learning Needs (ALN), Market Fragility and Demand Management were Green and on track in terms of their progress at the end of quarter.

Corporate Risk	RAG Status				Total number of Actions	Total number of actions where RAG is applicable.
	GREEN (Completed)	GREEN (On track)	Amber (Minor slippage)	RED (Slipped)		
CR1: Financial Fragility	5.9% (2)	73.5% (25)	11.8% (4)	8.8% (3)	34	34
CR2: Legislative Change & Local Government Reform	33.3% (5)	66.7% (10)	N/A	N/A	15	15
CR3: School Reorganisation & Investment	N/A	100% (5)	N/A	N/A	5	5
CR4: Waste	12.5% (1)	87.5% (7)	N/A	N/A	8	8
CR5: Workforce Needs	9.7% (3)	64.5% (20)	9.7% (3)	16.1% (5)	33	31
CR6: Information Security	12.5% (1)	75% (6)	N/A	12.5% (1)	8	8
CR7: Project Zero	8% (4)	86% (43)	N/A	6% (3)	50	50
CR8: Cost of Living	18.6% (8)	69.8% (30)	2.3% (1)	9.3% (4)	43	43
CR9: Public Building Compliance	16.7% (1)	83.3% (5)	N/A	N/A	6	6
CR10: Safeguarding	10% (1)	90% (9)	N/A	N/A	10	10
CR11: Integrated Health & Social Care	7.1% (1)	92.3% (13)	N/A	N/A	14	14
CR12: Unauthorised Deprivation of Liberty Safeguards (DOLs)	N/A	100% (4)	N/A	N/A	4	4
CR13: Brexit	N/A	100% (11)	N/A	N/A	11	11
CR14: Additional Learning Needs (ALN)	N/A	100% (16)	N/A	N/A	16	16
CR15: COVID-19	7.9% (3)	89.5% (34)	N/A	2.6% (1)	39	38
CR16: Market Fragility	22.2% (2)	77.8% (7)	N/A	N/A	9	9
CR17: Demand Management & Service Capacity	16.7% (4)	83.3% (20)	N/A	N/A	24	24
Totals	11% (36)	81.3% (265)	2.5% (8)	5.2% (17)	329	326

RISK ACTION EXCEPTIONS (RED STATUS)

Risk	Action Ref	Action Description	Commentary
CR1: Financial fragility	RSR/PB002 (PB/A004)	Deliver phase 2 of replacement CRM (including the use of GOV service platform) with a focus on transformation and service user design to improve customer and staff satisfaction.	All services have been removed from oracle CRM and the next phase of development has commenced, including a focus on improving citizen experience of accessing Adult Social Care, Telecare and Blue Car Badge services. User Research capability and capacity is being developed working collaboratively with WLGA Digital Team and citizen involvement in the design and testing of services is due to commence in Q4. This work should be considered as business as usual rather than a new phase of the project.
	RSR/PB003 (PB/A008)	Develop the Council's website to better reflect user experience and provide better content that is useful to our citizens.	Working with WLGA Digital team to undertake a review of website content to ensure that services can be easily found and accessed. The results of this work are due in Q4 and will inform future content design. Development of user research and testing capability has continued with successful recruitment of "users" to test Gov Service functionality. This work is due to commence during Q4 and will inform future process design.
	RSR/HR025 (HR/A001)	Support organisational-wide change as part of the Council's new Transformational Change Programme, COVID recovery, Brexit and the climate and nature emergencies including any HR and OD issues that may arise.	Oracle project delayed due to ongoing issues with system readiness, due to launch in April 2023 on track for launch. Work currently underway to prep wider org on new system. Occupational Health Cohort System due to commence implementation in Feb 2023 - this should streamline occupational health processes removing the paper-based systems. Strategic workforce planning to form part of Spring Management Development Programme, commencing with SLT and HOS. People Strategy, Hybrid Working Strategy, Volunteer Policy, Pay Policy and Performance Management Process was discussed at the 2nd February Cabinet meeting.

Risk	Action Ref	Action Description	Commentary
CR5: Workforce	WFR/HR001 (HR/A001)	Support organisational-wide change as part of the Council's new Transformational Change Programme, COVID recovery, Brexit and the climate and nature emergencies including any HR and OD issues that may arise.	Oracle project delayed due to ongoing issues with system readiness, due to launch in April 2023 on track for launch. Work currently underway to prep wider org on new system. Occupational Health Cohort System due to commence implementation in Feb 2023 - this should streamline occupational health processes removing the paper-based systems. Strategic workforce planning to form part of Spring Management Development Programme, commencing with SLT and HOS. People Strategy, Hybrid Working Strategy, Volunteer Policy, Pay Policy and Performance Management Process to be discussed on the 2nd Feb Cabinet.
	WFR/HR005 (HR/A004)	Develop and implement a new Employee Engagement Strategy, including refreshing ongoing development of the Culture Book.	Proposal to be submitted to SLT 1st week of Feb following results of staff survey.
	WFR/HR006 (HR/A005)	Progress actions as part of the Council's People Strategy to address where possible issues relating to gender and ethnic minorities pay gaps.	The People Strategy is due to go to Cabinet on 9th February - this delay has resulted in the slippage. Staff Survey results have been presented to SLT and are due to be presented to Heads of Service in January, following this a proposal around the next steps of Engagement will follow in Feb/March. Employee Development progress continues; WTTV face to face programme has been revamped and will be followed by a refreshed online induction process from late January.

Risk	Action Ref	Action Description	Commentary
	WFR/HR008 (HR/A007)	Review, enhance and embed our approach to workforce planning to inform key plans as aligned to the Council's Performance Management Framework and the Reshaping Programme.	Chief Officer Appraisal will be going to Cabinet in Feb 2023 for approval; Heads of Service will be briefed and consulted with in January/February. #Itsaboutme 2022 window has now closed and analysis of completion will commence and a proposal for future approach will follow.
	WFR/LD009 (LD/A009)	Deliver workforce planning with a focus on alternative service delivery and workforce implications ensuring reliance on small numbers of key staff is managed effectively.	Workforce Planning is embedded across service areas such as Legal and Democratic, where there is a focus on alternative models, smarter, digital working, and measures/action taken where necessary to ensure resilience with key members of the team.
	WFR/HR013 (HR/A010)	Implement a Volunteering Strategy as part of the Well-being Strategy and work in partnership with the Public Services Board to implement the Move More, Eat Well Plan with a focus on workplace settings.	Paper will go to Cabinet in Qtr 4.
CR6: Information security	ISR/SRS013	Undertake a review of information security against GDPR regulations.	No progress to report during Qtr 3.
CR7: Project Zero	ESR/FS028 (FS/A024)	Prepare an updated Carbon Management Plan with appropriate recommendations and actions for 2023-2030.	The Carbon Management Plan 2023-2030 was in the process of being drafted, however the Energy Team has been significantly depleted during Q3 and therefore staff resources do not currently allow for the plan to be completed under the planned timeframe. Recruitment options are currently being considered to adequately resource the team and the CMP will take priority as soon as resource issues allow. It is hoped that the CMP can be completed during Q1 next financial year.

Risk	Action Ref	Action Description	Commentary
	ESR/HR058 (HR/A017)	Provide training for staff and Members on climate change as part of raising awareness, changing behaviours and transforming services.	No resource within the OD and Learning team to support this action currently; received no update from Project Zero board regarding additional support.
	ESR/HR059 (HR/A010)	Implement a Volunteering Strategy as part of the Well-being Strategy and work in partnership with the Public Services Board to implement the Move More, Eat Well Plan with a focus on workplace settings.	Paper will go to Cabinet in Qtr. 4
CR8: Cost of Living	CoLR/HR015 (HR/A012)	Build on good relationships with local education establishments (such as Cardiff University & Cardiff and Vale College) as well as independent Apprenticeship providers to expand the Council's Apprenticeship scheme offer, with a particular focus on underrepresented groups and 16–24-year-olds.	We have excellent relationships with the training providers and fully abreast of all apprenticeships currently on offer; the offering has been reduced over the last 6 months. We continue to struggle to engage managers with this as a recruitment option Need to have further conversations to determine the feasibility of Vale Academy given the budget restrictions.
	CoLR/HS029 (HS/A023)	Maximise the supply of Council rented accommodation by completing schemes at Hayes Road, Barry and St Cyres Road, Penarth and commence development of over 130 new Council Homes at 5 sites across the Vale of Glamorgan including Barry, Penarth and the rural Vale.	Hayeswood Road, Barry (53 units) - under construction but on hold due to the insolvency of Jehu PSL - completion anticipated February October 2023. St Cyres Road, Penarth (14 units) - under construction with completion anticipated April 2023. Coldbrook Road East, Barry (20 units) - under construction with completion anticipated March 2024. Colcot Clinic, Barry (12 units) - under construction with completion anticipated March 2024. Holm View Phase 2, Barry (31 units) - start on site March 2023. Maes y Ffynnon, Bonvilston (8 units) - start on site May 2023.

Risk	Action Ref	Action Description	Commentary
	CoLR/PB037 (PB/A006)	Work with partners through the Digital Inclusion Steering Group to address issues of digital inclusion across the Vale.	A wide range of support for residents who wish to improve their digital skills and gain access to digital services is offered through our get The Vale Online hub on the Councils website. Laptops and tablets continue to be offered through libraries and other services and these are often targeted at individuals who are more likely to be digitally excluded. Further work is required to assess the impact of data poverty on residents as a result of the cost-of-living crisis.
	CoLR/PB043 (PB/A037)	Maximise opportunities to signpost citizens to cultural and arts activities designed to enhance their mental health and wellbeing.	Work has begun to review customer facing email content generated through interaction with the Gov Service system. Testing has commenced to ascertain likelihood of citizens to click on links within the email content, the results of which will inform how these interactions can help support the promotion of cultural activities designed to enhance mental health and wellbeing.
CR15: COVID	CVR/HR015 (HR/A001)	Support organisational-wide change as part of the Council's new Transformational Change Programme, COVID recovery, Brexit and the climate and nature emergencies including any HR and OD issues that may arise.	Oracle project delayed due to ongoing issues with system readiness, due to launch in April 2023 on track for launch. Work currently underway to prep wider org on new system. Occupational Health Cohort System due to commence implementation in Feb 2023 - this should streamline occupational health processes removing the paper-based systems. Strategic workforce planning to form part of Spring Management Development Programme, commencing with SLT and HOS. People Strategy, Hybrid Working Strategy, Volunteer Policy, Pay Policy and Performance Management Process to be discussed on the 2 nd February Cabinet.