

THE VALE OF GLAMORGAN COUNCIL

CABINET: 23RD JULY, 2026

REFERENCE FROM GOVERNANCE AND AUDIT COMMITTEE: 22ND JUNE, 2026

“96 CORPORATE RISK: QUARTER 4 UPDATE AND END OF YEAR POSITION ON RISKS (DCR) –

The report provided Members with an overview of the Corporate Risk Register for the end of year 2025-26, including a Quarter 4 update. The report also reflected the Strategic Leadership Team's (SLT) consideration of the recommendations made by this Committee following the Quarter 3 2025/26 period relating to risks contained within the Corporate Risk Register

At end of year, the Corporate Risk Register comprised 13 risks: one scored very high, seven high, two medium/high and three medium.

The Committee requested more information on the Scrutiny Task and Finish Review report into Additional Learning Needs Resources Bases, and in particular the Cabinet response. In addition, the Committee suggested that the level of risk for the Climate Change risk be reviewed.

RESOLVED –

- (1) T H A T the Quarter 4/End of Year position of corporate risks outlined in the Risk Summary Report (Annex A) be noted.
- (2) T H A T the Strategic Leadership Team's consideration of the responses to the Governance and Audit Committee's comments for Quarter 3 be noted.
- (3) T H A T Cabinet be requested to approve the delegated authority for the Director of Corporate Resources to update the Risk Management Policy.
- (4) T H A T Cabinet be requested to consider the comments of the Governance and Audit Committee as per resolutions 5 and 6.
- (5) T H A T additional information be provided to the Governance and Audit Committee relating to the Scrutiny review into Additional Learning Needs Resource Bases.
- (6) T H A T a review of the risk scoring relating to the Climate Change Risk to be undertaken.

Reasons for decisions

- (1) Following consideration of the Q4 risk update and end of year position of corporate risks, including any emerging issues and proposed mitigations, as set out in Annex A.
- (2) To identify the actions undertaken in response to Governance and Audit Committee's comments and consider any further action required.
- (3) The Council reviewed and approved a revised Risk Management Policy in 2024/25. Since its approval, non-material, operational amendments have been made to reflect decisions agreed by the Governance and Audit Committee and Cabinet. Delegated authority was requested to be granted to the Director of Corporate Resources to make further nonmaterial, operational amendments to the Risk Management Policy and related guidance during the year, where necessary to give effect to decisions of the Governance and Audit Committee and Cabinet.
- (4) To ensure Cabinet have oversight of resolutions relating to the Council's Risk Register.
- (5) To ensure that Governance and Audit Committee have oversight of the Additional Learning Needs Risk.
- (6) To undertake a review of the risk score given the forecasted direction of travel."

Attached as Appendix – Report to Governance and Audit Committee: 22nd June, 2026

Meeting of:	Governance and Audit Committee
Date of Meeting:	Monday, 22 June 2026
Relevant Scrutiny Committee:	No Relevant Scrutiny Committee
Urgent Decision Procedure Used (If yes, why)	N/A
Item Type	Part I
Report Title:	Corporate Risk: Quarter 4 Update and End of Year Position on Risks
Portfolio Holder:	Executive Leader and Cabinet Member for Performance and Resources
Strategic Leadership Team:	Director of Corporate Resources
Lead Officer:	Tom Bowring, Director of Corporate Resources

1.0 What is this report about?

1.1 This report provides Members with an overview of the Corporate Risk Register for the end of year 2025-26, including a Quarter 4 update. The report also reflects the Strategic Leadership Team's (SLT) consideration of the recommendations made by this Committee following the Quarter 3 2025/26 period relating to risks contained within the Corporate Risk Register.

1.2 At end of year, the Corporate Risk Register comprises thirteen risks: one scored very high, seven high, two medium/high and three medium.

2.0 What are the Recommendations?

	Recommendations – What and How?	Reason for Recommendation – Why?
2.1	That Committee consider the Quarter 4/End of Year position of corporate risks outlined in the Risk Summary Report (Annex A).	To consider the Q4 risk update and end of year position of corporate risks, including any emerging issues and proposed mitigations, as set out in Annex A .
2.2	That Committee note SLT's consideration of the responses to the Governance & Audit Committee's comments for Quarter 3.	To identify the actions undertaken in response to Governance & Audit Committee's comments and consider any further action required.

	Recommendations – What and How?	Reason for Recommendation – Why?
2.3	That Committee recommend to Cabinet that delegated authority be granted for the Director of Corporate Resources to update the Risk Management Policy.	The Council reviewed and approved a revised Risk Management Policy in 2024/25. Since its approval, non-material, operational amendments have been made to reflect decisions agreed by the Governance and Audit Committee and Cabinet. Delegated authority is now sought for the Director of Corporate Resources to make further non-material, operational amendments to the Risk Management Policy and related guidance during the year, where necessary to give effect to decisions of the Governance and Audit Committee and Cabinet.
2.4	That Committee refer any other comments to Cabinet for their consideration and endorsement at the meeting when Cabinet will consider this report.	To ensure Cabinet receives the comments of the Governance & Audit Committee when considering corporate risk.

3.0 What is the background to this report?

3.1 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 concise overview of headline risks and key risk considerations. Presenting the information in this way enables Members and officers to have a clear view of the overall risk position, including emerging issues across the Register.

4.0 What issues are there to be considered?

End of Year Corporate Risk Overview

4.1 At the end of 2025/26 the Council continues to operate in a challenging risk environment, with one very high risk, seven high risks, two medium/high risks and three medium risks on the Corporate Risk Register. Overall, risks have been managed within the Council's agreed risk appetite, supported by strong governance, effective controls and sustained corporate oversight; however, several risks remain above appetite due to external, structural and demand led pressures rather than control failure.

4.2 Overall, the direction of travel remains largely static, with strong governance and effective controls providing assurance that risks are being managed within, or with explicit and justified tolerances against, the Council's agreed risk appetite. Three risks, Information and Cyber Security (CR11), Climate Change and Nature Emergency (CR4), and Digital (CR3), are

forecast to increase due to external threat escalation, long-term national commitments and capacity constraints, while Workforce and Organisational Change (CR2) is forecast to reduce marginally but remain high.

4.3 Throughout the year, the Council has consistently applied a differentiated risk appetite, maintaining no tolerance where statutory compliance, safeguarding, safety or legal duties are concerned, while accepting managed levels of residual risk in areas linked to long-term sustainability, transformation and place-based change. The end of year position confirms that risks above appetite are well understood, proactively managed and proportionately tolerated, with no evidence of unmanaged escalation as the Council moves into 2026/27.

Quarter Four Risk Updates

4.4 The Corporate Risk Summary Report (**Annex A**) provides an overview of all the corporate risks in the Register in terms of their inherent risk score, effectiveness of control score and residual score and provides an outline of the forecast direction of travel. It also identifies emerging risk issues associated with risks on the Register.

4.5 At the end of Quarter 4, all corporate risks on the Register have maintained their current residual risk position.

4.6 There are three risks on the Register that we forecast will increase over the year; these are Information and Cyber Security (CR3), Climate Change and Nature Emergency (CR4) and Digital (CR11).

4.7 The Workforce and Organisational Change risk (CR2) is forecast to reduce marginally over the next year.

4.8 The remaining risks are forecast to remain static.

Interdependencies within the Corporate Risk Register

4.9 The end-of-year position confirms that corporate risks are closely interrelated and managed as part of an integrated framework, rather than in isolation. Financial sustainability, workforce capacity, demand-led services, digital delivery and long-term place-based priorities continue to influence one another, reflecting external and structural pressures rather than control failure.

4.10 Financial sustainability remains the primary driver of interdependency, influencing workforce capacity, demand-led services (including ALN and social care), housing and homelessness, and schools' financial resilience. Ongoing structural funding pressures mean that elevated residual risk has been explicitly and knowingly tolerated across several areas, supported by strong corporate oversight and escalation arrangements.

4.11 Workforce capacity continues to underpin delivery across multiple service-intensive risks, reinforcing the importance of the Workforce Plan and People Strategy as cross-cutting mitigations within the corporate risk framework.

- 4.12 Digital, information and cyber risks intersect with safeguarding, service delivery and major programmes (notably WCCIS) with strengthened controls in digital resilience reducing escalation risk elsewhere. Longer-term place-based risks such as climate change, regeneration, assets and housing, are similarly interrelated through capital investment and infrastructure decisions, with the council's differentiated risk appetite supporting managed risk taking in these areas to enable progress against long-term objectives.
- 4.13 These interdependencies are explicitly understood, transparently reported, and proactively managed through aligned governance and escalation arrangements, supported by a differentiated risk appetite. Members can therefore take assurance that, while some residual risks remain above appetite, there is no evidence of uncontrolled escalation, and the integrated approach to risk management will remain central to decision making in 2026/27.

Substantial Assurance Internal Audit Opinion Issued

- 4.14 As part of the 2025/26 Internal Audit Annual Plan, a Substantial assurance opinion was issued following audit work on a sample of corporate risks (Additional Learning Needs, Delivery of Major Projects and Housing and Homelessness). This provides assurance that a sound system of governance, risk management and internal control is in place, with controls operating effectively.
- 4.15 During the audit a number of strengths and areas of good practice were identified as follows:
- Risk management roles and responsibilities are clearly defined in the Corporate Risk Management Policy.
 - There is a consistent method of capturing and monitoring corporate risks across the Council.
 - The Corporate Risk Register is reported to Governance & Audit Committee, Strategic Insight Board (SIB) and Strategic Leadership Team (SLT) on a quarterly basis.
 - Each of the risks recorded in the quarterly monitoring templates had a clear owner. Furthermore, for the risks sampled during the audit review, the owners demonstrated a clear understanding of their risks.

SLT Response to Q3 2025/26 Governance & Audit Committee recommendations

- 4.16 Committee requested:
- T H A T a report on the risk and governance aspects around the regeneration schemes be provided to Committee at its meeting in June.
 - T H A T additional information be provided concerning the Task and Finish Group work undertaken by the Start Well Scrutiny Committee around Additional Learning Needs (ALN).
 - T H A T additional information be provided regarding the points raised at the meeting concerning homelessness as part of future reporting.

- 4.17 An update report on regeneration schemes has been considered by Cabinet on 28th May, including a dedicated section addressing risk and governance. This report has been referred to the Governance & Audit Committee and is tabled for consideration at this meeting. Further member briefings on these projects are also being arranged.
- 4.18 The Task and Finish Group on Additional Learning Needs examined staffing, funding, quality, access, and value for money across the Vale of Glamorgan's ten ALN Resource Bases, including outreach and sensory services. Members also conducted multiple site visits and met with parents, pupils and officers. The Group concluded that ALN provision in the Vale of Glamorgan delivers high quality, child centred and accessible education tailored to the needs of the learner, but identified several strategic risks:
- Grant reliance
 - Cost for therapy
 - Increasing SEMH demand
 - Staffing pressures and recruitment challenges
- The group made a number of recommendations which provide mitigations to the corporate ALN risk and will be incorporated into the ALN corporate risk management template.
- 4.19 The Housing Leadership Cymru Group has requested Welsh Government funding for a Homeless Network Coordinator to support operational preparedness for the new Homelessness Act. Welsh Government has also awarded the Vale a grant of just over £90,000 for 2026/27 to support preparatory work for the Homelessness and Social Housing Allocations Act, including policy updates, procedural changes and ICT reconfiguration. The Council has allocated funding via the budget setting process for 2026/27 to recruit two new Homelessness Prevention Officers to support compliance with the expanded prevention duties, including the extension of the 'threatened with homelessness' period from 56 days to 6 months.

Request for Delegated Authority for the Director of Corporate Resources to update the Risk Management Policy.

- 4.20 The Council reviewed and approved a revised Risk Management Policy in 2024/25. Since its approval, minor amendments have been made to reflect decisions agreed by the Governance and Audit Committee and Cabinet, ensuring the Policy remains accurate and up to date. Delegated authority is now sought for the Director of Corporate Resources to make further non-material, operational amendments to the Risk Management Policy and related guidance during the year, where necessary to give effect to decisions of the Governance and Audit Committee and Cabinet.

5.0 How has evidence been used to inform the report, including the views of others?

- 5.1 Corporate Risk Owners draw on a range of cross organisational evidence to assess risk position and direction of travel. This includes internal performance data, regulatory requirements, audit findings and professional judgement informed by engagement with

colleagues and partners. This report provides a summary of the risk positions, current risk landscape and the mitigating actions that are in place to reduce the level of risk.

6.0 What are the next steps if the recommendations are approved?

- 6.1 Any comments from Committee will be referred to relevant risk owners to inform their risk assessment and responses will be reported back to committee next quarter.
- 6.2 The committee's comments will be considered by Cabinet. The Council's Strategic Insight Board will discuss all comments and recommendations arising from consideration of this report and ensure that they are appropriately responded to.
- 6.3 Any further non-material, operational amendments to the Risk Management Policy and related guidance will be progressed under delegated authority, where required to implement decisions of the Governance and Audit Committee and Cabinet.

7.0 How does this report support Vale 2030 and Reshaping?

- 7.1 Risk Management is an intrinsic part of corporate governance and integrated business planning which underpins the delivery of the Council's Corporate Plan Vale 2030. The Corporate Plan has been structured around the Well-being of Future Generations (Wales) Act 2015, through the development of five Well-being Objectives.
- 7.2 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.

8.0 How does this demonstrate the Five Ways of Working?

- 8.1 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.

9.0 Resources

Finance

- 9.1 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.

Workforce

9.2 There are no direct workforce related implications associated with this report. However, there is a workforce and organisational change corporate risk and there are risks contained within the Register that if not effectively managed have 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.

10.0 Legal and Equalities

Does an Equalities Impact Assessment need to be completed? If not, why?

10.1 An Equalities Impact Assessment has not been completed because there are no equality related implications associated with this report. Where relevant, risk owners will have considered equality implications within their individual corporate risk. Identifying, managing, and reducing any risk effectively mitigates against potential legal challenge.

Key Contacts

Who are the primary officers to contact with any comments and/or queries on the report?

Lead Officer: Tom Bowring, Director of Corporate Resources, TBowring@valeofglamorgan.gov.uk 01446 709247	Democratic Services Officer: Gareth Davies, Democratic and Scrutiny Services Officer gjdavies@valeofglamorgan.gov.uk 01446 709249
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Appendix

[Corporate Risk Q4 25-26 All Risk Management Templates](#)

Background Documents

[Corporate Risk Management Strategy](#)

[Corporate Risk Q3 Update](#)



Qtr4 2025/26 – Corporate Risk Summary Report

Corporate Risk Q4 25-26 All Risk Management Templates

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What is this Report about?

This Summary Report provides a concise overview of corporate risks including the current residual risk levels, how these have changed from the previous quarter, the expected direction of the risk level over the coming year and key risk considerations such as mitigating actions. A thematic risk heat map groups risk scores by the themes of political and legislative, resources, service delivery and wellbeing and reputation, which are used by risk owners for evaluation. The risks are then taken in turn depending on the forecast risk level providing a summary of the risk pre-control environment, and the actions in place to control the risk.

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

Effectiveness of Controls Score

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

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

CORPORATE REGISTER SUMMARY

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

To understand how the risk scoring has changed from the inherent risk to residual please look at the individual risk templates which shows the detailed effectiveness of controls scoring which has mitigated the inherent risk and resulted in the residual scores. The effectiveness of controls scoring below only provides an indicative score used to illustrate the general level of control but is not used to calculate the overall residual risk.



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



Forecast Direction of Travel Rationale			
Risk Ref	Risk	Average Forecast Direction of Travel	Rationale
5	Additional Learning Needs		Overall, the forecast direction of travel is being assessed as static over the year due to the long-term nature of mitigating actions and external pressures still at play. This is a cautious but realistic outlook given the dependence on system-wide changes requiring effective partnership working and appropriate funding to deliver some mitigations. The service is undertaking a range of constructive, strategic actions that should reduce risk over time. However, substantial, and ongoing external pressures, particularly rising need, financial constraints, and legacy challenges around tribunals and complaints mean that improvement will necessarily be incremental rather than immediate.
1	Financial Resources		Overall, there is no change in direction at this point. The 2026/27 Settlement from Welsh Government was very much better than expected but it remains a one-year Settlement only, with future prospects unclear. Schools' deficits remain the greatest concern and pose significant long-term challenges and there has been significant engagement with those seven schools, considered outliers with deficits which will take a number of years to address. The Council's outturn for 2026/27 is not available yet but early indications are that it is broadly in line with the forecast at Q3. Within this the schools' deficit position is in line with the assumptions made when Council approved the 2027/28 Budget and the further underwriting of deficit with Council reserves were sound. The overall forecast remains static.
2	Workforce and Organisational Change		Overall the risk position remains high, but DoT is forecast to decrease marginally due to strong governance, workforce planning, wellbeing initiatives, and recruitment improvements; however, ongoing financial, workforce capacity, and labour market pressures limit the potential for more significant reduction of this risk.
4	Climate Change and Nature Emergency		On balance this is forecast to worsen overall but is not imminent across all elements and is linked to the 2030 target, expectations, resources, and capacity. A clearer picture will also emerge as a result of the PSB climate change risk assessment and response.
6	Social Care Demand and Capacity		Minimal changes to the risk this quarter resulting in a static forecast risk position.
8	Housing and Homelessness		The forecast direction of travel is static, reflecting the fact there have not been any significant changes that would lead us to expect a worsening of the risk level. Some of the mitigations have also assisted, including the award of Welsh Government Grant to meet the one-off implementation costs ahead of the new Homelessness Act, as well as the award of an internal cost pressure to fund two Homelessness Prevention posts within the Housing Solutions team. The overall level of risk remains high due to demand increasing faster than new supply,



Forecast Direction of Travel Rationale			
Risk Ref	Risk	Average Forecast Direction of Travel	Rationale
			while capacity and resource pressures will limit our response, but we do not forecast a significant increase in the risk from this position.
3	Information and Cyber Security		The corporate cyber security risk is expected to remain high, reflecting the continued rise in cyberattacks across the UK public sector. Recent incidents involving organisations such as Marks & Spencer and Jaguar Land Rover illustrate the growing impact of ransomware and supply chain compromises and highlight attackers' increasing use of third-party access routes. The assessment places greater emphasis on third party and supply chain risk. This aligns with the Council's work with the WLGA under the Cyber Assessment Framework (CAF), where third party assurance is a key focus area. Consequently, overall the risk will remain high, forecast to escalate in the coming year.
13	Schools' Budget Deficits		All individual risk components are forecast to remain unchanged for the next quarter, resulting in an overall static direction of travel. This is largely because controls maintain stable, but the root causes of the risk remain largely unchanged and are driven by external or systemic pressures. The Council's actions are effectively preventing deterioration but cannot yet significantly reduce the inherent risks.
10	Physical Assets		No significant changes this quarter to impact on overall level of risk. Across all risk categories, the overall direction of travel is stable and positive due to strong governance, robust compliance systems, and well-established asset and performance management arrangements. Frequent reporting, cross directorate working, clear visibility of asset condition and compliance data, and consistent engagement with stakeholders collectively reduce uncertainty and support steady improvement in political/legislative, resource, service delivery, and reputational areas. There has been further investment in the highway asset through 2026/27 budget setting but not sufficiently significant to impact the overall direction of travel. Consequently, overall direction of travel of this risk is forecast to remain static over the next quarter.
7	Transition from the Welsh Community Care Information System (WCCIS)		Overall, the average direction of travel is expected to remain stable as the programme is still in a transitional and implementation phase, and key external dependencies and uncertainties remain. While effective local controls are preventing deterioration, the residual risk remains influenced by national funding clarity, system build timelines, migration progress, and reliance on partners in the regional cluster and national programme. A reduction in risk levels is unlikely until these dependencies reduce, and the new system is fully implemented.
9	Delivery of Major Regeneration Projects		On balance this risk is forecast not to change significantly in 2026/7 overall. However, key to this will be the impact of resources going forward and if changes either at Welsh Government or national level lead, to a significant reduction in grants or support.



Forecast Direction of Travel Rationale			
Risk Ref	Risk	Average Forecast Direction of Travel	Rationale
11	Digital		With a rapidly changing environment and as AI has matured, our risk of not maximising our opportunities in the Digital space is increasing. We will continue to explore partnership and collaborative activities to mitigate this as well as working closely with the Welsh Government as they define and design the new Digital office.
12	Safeguarding		The overall safeguarding risk position remains static at year end and is forecast to remain static in the first half of 2026/27, reflecting the ongoing and inherently high impact nature of safeguarding responsibilities, with established governance, controls and partnership arrangements continuing to provide appropriate assurance.



					Care Information System		
2	Workforce and Organisational Change	5	Additional Learning Needs	8	Housing and Homelessness	11	Digital
3	Information and Cyber Security	6	Social Care Demand and Capacity	9	Delivery of Major Regeneration Projects	12	Safeguarding
13	Schools Budget Deficit						

Risk overview

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

Direction of Travel

All risks on the Register have maintained their static position during the period.

Forecast Direction of Travel

During the quarter 4 period, the forecast direction of travel statuses are as follows:

Risks forecast to diminish

- **CR2 Workforce and Organisational Change:** *This risk has a high-risk score of 12 and is forecast to reduce marginally from this position.*

Overall, this risk remains high but well-managed, with appropriate application of risk appetite and clear assurance arrangements in place. The risk currently has a high-risk score of 12 and is forecast to reduce marginally but remain high.

During the year, workforce and organisational change pressures have remained significant due to ongoing financial constraints, recruitment challenges, and service demand. As a result, the inherent risk linked to workforce capacity and capability remains high, particularly in the Resources and Service Delivery & Well-being risk categories.

The Council continues to have no appetite for failing to meet statutory, regulatory, or political obligations. Strong governance, effective performance management, and regular reporting through Strategic Leadership Team, Cabinet, and the People Board have ensured these risks are well controlled.

At the same time, the Council has maintained a mindful to eager risk appetite for workforce investment and organisational change where this supports long-term sustainability, service resilience, and staff wellbeing. This has been demonstrated through delivery of the Workforce Plan and People Strategy, recruitment and retention improvements, investment in new systems, and strengthened wellbeing and



management development activity. This position is consistent with the findings of the Audit Wales report, 'Recruitment and retention challenges – the right people at the right time? (April 2026)', which concluded that the Council has a good understanding of its recruitment and retention challenges and has implemented a range of appropriate responses, with some success.

Audit Wales also noted that senior officers have clear oversight of recruitment pressures, difficult-to-fill roles, and workforce risks, supported by performance dashboards, directorate management arrangements, and regular reporting to the Strategic Leadership Team. These arrangements continue to underpin targeted use of workforce management approaches, including market supplements, agency staffing, apprenticeships, and "grow your own" development pathways, particularly within Social Services and other specialist frontline roles.

However, Audit Wales identified that the Council does not yet consistently evaluate whether different recruitment and retention approaches represent value for money and made a recommendation to strengthen arrangements in this area. This finding aligns with the Council's own assessment that structural workforce challenges remain, including ongoing reliance on temporary staffing in some services, uneven capacity linked to service demand, and constraints arising from pay competitiveness and funding uncertainty.

While recognising that financial pressures and labour market conditions currently limit the pace at which some risks can be reduced, the Council has consciously tolerated a level of residual workforce risk in order to progress its transformation ambitions. This reflects a balanced acceptance of short-term pressure in pursuit of longer-term improvements in workforce capability, succession planning, digital enablement, and organisational culture. Overall, the Council has applied its risk appetite appropriately, balancing delivery, compliance, and workforce resilience as it moves into 2026/27. Further improvements in resilience and assurance are expected over the medium term, recognising that progress will be incremental rather than immediate.

Risks forecast to escalate

There are three risks on the Register that we forecast will increase over the year these are, **Information and Cyber Security (CR3), Climate Change and Nature Emergency (CR4) and Digital (CR11).**

- **CR3 Information and Cyber Security:** *The risk has a high-risk score of 12 and is forecast to increase given the cyberthreat landscape and continued rise in cyber-attacks across the UK public sector.*

The Council has continued to manage Information and Cyber Security as a high inherent risk area, with a clear and well-defined risk appetite guiding decision making and prioritisation. The Council maintains no appetite for statutory or regulatory non-



compliance and an opposed stance to risks that could compromise data, service delivery or vulnerable residents. This position has been consistently reflected in governance, control arrangements and escalation routes.

While the external threat landscape has intensified, particularly in relation to ransomware and third-party supply chain risks, the Council's approach has balanced strong control with measured and informed risk taking where innovation and technology are required to strengthen resilience. A mixed risk appetite has been applied to resources, recognising financial constraints while remaining mindful to eager in investing capacity, skills and partnerships that deliver robust cyber controls.

Effective mitigating actions throughout the year, including ongoing IT Health Checks, PSN compliance, CymruSOC onboarding and progress against the Cyber Assessment Framework, have helped ensure that residual risk remains managed and understood, even where it continues to be rated as High. Reputational and service delivery risks remain areas where the Council's appetite is deliberately cautious, reflecting the potential impact on public trust and vulnerable residents.

Overall, the Council ends the year with confidence in the effectiveness of its control environment, clarity over where risks are tolerated, and a continued commitment to strengthening cyber maturity in line with its established risk appetite. This provides a strong platform for further improvement in 2026/27, particularly in relation to third party assurance and long-term cyber resilience

- **CR4 Climate Change and Nature Emergency:** *The risk has a high score of 12 and is expected to increase.*

The Climate Change and Nature Emergency corporate risk remains high, reflecting the scale, complexity and long-term nature of the 2030 net zero ambition. The Council continues to operate with no appetite for noncompliance in relation to statutory duties, national targets and declared commitments on climate and nature, and this has driven sustained governance, reporting and delivery focus throughout the year. Strong controls are in place through Project Zero governance, Directorate plans and scrutiny oversight, helping to stabilise the risk and maintain a static direction of travel in the short term despite continued external pressures.

Risk appetite has been applied in a differentiated and proportionate way across the risk categories. While appetite remains averse in respect of political, legislative and reputational impacts, a more balanced and pragmatic appetite has been exercised in relation to resources and service delivery. This has enabled the Council to pursue innovation, external funding and pilots (for example in waste, energy and transport), while remaining mindful of affordability, capacity and the need to protect vulnerable residents. Overall, the end of year position reflects a conscious acceptance that some residual risk must be tolerated in the short to medium term to enable long term decarbonisation and resilience, with continued focus on containment, evidence-based



decision making and readiness to adapt as expectations, funding and national policy continue to evolve.

- **CR11 Digital:** *The risk has a medium risk score of 6 and is forecast to increase from this position.*

Over the year, the Council has continued to progress its digital and data agenda while largely operating within its agreed risk appetite. We have maintained a low tolerance (opposed appetite) for information governance, legislative compliance, and data protection risks. Despite a challenging external environment, including increased cyber threat activity, the overall reputational risk position has remained stable due to effective controls and ongoing investment in security and governance.

Where the Council has a mindful to eager risk appetite, particularly in digital transformation, service redesign, and emerging technologies such as AI, pressure has increased. Demand for faster, more responsive digital services continues to grow, but limitations in capacity, Agile maturity, and data capability restrict the pace at which we can safely progress. This creates an increasing risk of not fully realising digital opportunities, rather than over exposure through unmanaged change.

Resource capacity remains the key factor influencing the residual risk position, especially in areas aligned to an eager appetite for innovation. While collaboration with regional and national partners has helped moderate risk and extend capability, there is a growing gap between ambition and delivery.

Looking forward, ensuring that risk appetite, capacity, and delivery remain aligned will be critical. Without further strengthening of transformation capability, the risk that our digital ambitions exceed our ability to deliver within appetite is likely to continue to increase.

Risks forecast to remain static

- **CR1 Financial Resources:** *This risk has a high-risk score of 12 and is forecast to remain static.*

During 2025/26 the Council continued to operate in a highly challenging financial environment, with inherent financial risks remaining very high. Pressures arising from demand-led services, school deficits, inflationary impacts and wider economic uncertainty continued to test the organisation's financial resilience. Despite this, risks have been managed within the Council's agreed risk appetite, supported by strong governance, robust financial controls and sustained corporate oversight.



There has been no appetite for risks that would result in failure to meet statutory, political or legislative requirements, and these have remained well controlled through established budget-setting, scrutiny and procurement arrangements. In areas where a mixed appetite is acknowledged, particularly resources and service delivery, the Council has accepted measured risk to support financial sustainability and transformation, while monitoring closely to prevent escalation. This has included measured acceptance of risk where it supports longer-term transformation, invest-to-save approaches and reshaping of services, while remaining firmly within acceptable tolerances. Strong monitoring arrangements, programme management, and targeted intervention (particularly in relation to schools' finances) have prevented further escalation of these risks.

Reputational risk has remained stable, reflecting the Council's continued commitment to transparency, engagement and effective decision-making. Overall, while the residual risk remains high, the direction of travel at end of year is static, with short-term settlement improvements offset by ongoing structural pressures, including schools' deficits and longer-term funding uncertainty.

Overall, while the residual risk associated with financial resources remains high, the direction of travel is considered static at end of year. Short-term improvements in the Welsh Government settlement have provided some relief; however, uncertainty beyond the current settlement period and the scale of underlying structural pressures mean that financial resilience will continue to require close management going forward.

- **CR5 Additional Learning Needs:** *The risk has a very high-risk score of 16, retaining the risk score from the previous quarter, reflecting the complex and challenging risk environment. It is forecast to remain static at this position.*

The Additional Learning Needs (ALN) corporate risk remains very high, reflecting a sustained and escalating increase in the number and complexity of learners requiring statutory support. The Council continues to operate with no appetite for failing to meet its statutory duties under the Additional Learning Needs and Education Tribunal Act 2018, and this position has consistently driven governance, service planning and decision making throughout the year. Strong oversight arrangements, workforce development, quality assurance of IDPs and targeted use of grant funding have helped to ensure compliance and maintain service continuity despite significant system pressures.

In line with a cautious and clearly defined risk appetite, particularly in relation to service delivery and wellbeing, the Council has prioritised protecting the most vulnerable learners while taking a long-term view on system sustainability. However, the risk remains above appetite in the resources and service delivery categories, driven by demand continuing to exceed capacity, financial constraints within schools, rising transport costs, and increasing tribunal and complaint activity. This elevated residual risk is being explicitly tolerated, recognising that many of the drivers are external and structural rather than the result of control failure.



Overall, the year-end position reflects a controlled but constrained risk environment. While mitigating actions are operating effectively and the direction of travel is assessed as static, further risk reduction will depend on longer term transformation, system wide change and sustainable funding solutions. The Council therefore moves into 2026/27 with a clear understanding of where risk remains outside appetite, why this is currently unavoidable, and what strategic actions are required to manage exposure over time.

- **CR6 Social Care Demand and Capacity:** The risk has a high-risk score of 12 and is forecast to remain static.

The Council continued to operate within a challenging risk environment in relation to growing social care demand and market capacity. The inherent risk remained high, reflecting sustained pressures on resources, workforce capacity and service delivery; however, this position has been appropriately managed through strong governance, effective controls and active oversight. The Council's opposed appetite for risks relating to statutory compliance and the safety and well-being of residents has been consistently maintained, with no tolerance for service failure or unlawful practice.

In line with a cautious to mindful risk appetite, the Directorate has balanced immediate demand management with longer term system resilience, pursuing opportunities to transform ways of working where this supports sustainability and value for money without compromising safety or quality. Enhanced capacity planning, provider engagement and escalation arrangements have helped stabilise the external market and mitigate the risk of provider failure.

Overall, while residual risk remains high due to factors largely outside the Council's direct control, the risk position is justified and proportionate given the Council's stated risk appetite. Controls are operating effectively, and the organisation remains focused on maintaining statutory services, protecting vulnerable residents and progressing sustainable solutions where risk is acceptable and managed.

- **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.*

The corporate risk relating to the transition from the Welsh Community Care Information System (WCCIS) remains a significant but well controlled strategic risk, reflecting the scale, complexity and national dependency of the Connecting Care programme. The inherent level of risk remains very high across political and legislative, service delivery, and reputational dimensions due to the statutory nature of social care, safeguarding responsibilities, and the consequences of system failure or delay.

During the year, substantial progress has been made, most notably the successful completion of the procurement process, contract award to the Access Group for the Mosaic system, and the establishment of robust national, regional and local governance



arrangements. Effective controls are now firmly in place, including strengthened programme oversight through the WLGA led Senior Responsible Officer structures, active participation in national and regional implementation groups, and clear local project governance and risk management. These controls have been effective in reducing the likelihood of failure and preventing deterioration, notwithstanding continued external dependencies.

Despite this progress, the residual risk position remains at a medium/high level at year end. This reflects the fact that the programme is still in an implementation and transition phase, with ongoing reliance on national funding decisions, complex data migration activity, dual running arrangements, and continued operation on legacy end of life platforms until full transition is achieved. As such, while immediate escalation risks have been mitigated, the risk cannot yet be reduced further in a meaningful way.

The overall direction of travel is assessed as static at year end. This is appropriate and proportionate, reflecting a position of stability rather than reduction. Strong local and regional controls are effectively managing delivery, safeguarding and reputational risks, but external factors, including national timelines, funding certainty, technical dependencies and partner readiness, continue to influence the overall risk profile.

Looking ahead to 2026/27, the risk will continue to require close corporate oversight until the Mosaic system is fully implemented, embedded and stable. A reduction in risk is contingent on successful completion of data migration, system testing, user acceptance, and go live, as well as clarity over ongoing funding arrangements. Until these conditions are met, the Council's tolerance of a residual level of risk remains necessary to ensure continuity of statutory social care services and safeguarding responsibilities.

- **CR8 Housing and Homelessness:** *The risk has a high score of 12 and is forecast to remain static from this position.*

The Housing and Homelessness corporate risk remains high, reflecting sustained demand pressures, limited housing supply and the anticipated impact of new homelessness legislation. The Council continues to operate with no appetite for failing to meet statutory duties under the Housing (Wales) Act, and this position has consistently driven decision making, investment and governance throughout the year. Strong controls, including established governance forums, partnership arrangements and a fully costed Housing Revenue Account Business Plan, have been effective in managing legal and compliance risks and ensuring service continuity.

In line with a mixed and deliberate risk appetite, the Council has accepted greater exposure in the resources and service delivery categories where controlled risk taking is necessary to prevent statutory breach and protect vulnerable residents. This includes conscious acceptance of higher financial and operational risk associated with the use of temporary accommodation, investment in homelessness prevention staffing, and



remodelling of existing housing assets, recognising that these pressures are driven largely by external demand and system constraints rather than internal control weaknesses.

Overall, while the residual risk position remains above appetite, particularly in relation to resources, this is being explicitly tolerated in recognition of statutory responsibilities, rising demand and the pace of legislative change. The direction of travel at year end is assessed as stable, supported by effective mitigations and additional funding secured to prepare for the new Homelessness Act. The overall level of risk remains high due to demand increasing faster than new supply, while capacity and resource pressures will limit our response, but we do not forecast a significant increase from this position.

- **CR9 Delivery of Major Regeneration Projects:** *This risk has a medium risk score of 6 and is forecast to remain static at this level.*

The Major Regeneration projects risk has remained a medium–high inherent risk, reflecting the scale, complexity and long-term nature of the Council’s regeneration ambitions, particularly in the context of funding uncertainty, capacity pressures and evolving national policy. However, the residual position has remained broadly stable, with risk exposure managed within the Council’s stated risk appetite through strengthened governance, planning and oversight arrangements.

There remains no appetite for failure to meet statutory obligations, funding conditions or core delivery commitments associated with major regeneration schemes, particularly where significant external funding and reputational considerations are involved. This has driven a cautious and controlled approach to political, legislative, resource and reputational risks, supported by regular reporting to Cabinet, Strategic Leadership Team and the Place based governance boards.

Conversely, the Council has demonstrated a measured tolerance for delivery related and longer-term transformational risk where this is necessary to secure regeneration outcomes aligned to economic resilience, placemaking, sustainability and wellbeing objectives. This has been most evident in the phased approach to programmes such as Pride in Place and wider placemaking activity, where a long-term view has been taken to balance affordability, deliverability and impact.

Overall, the end of year position reflects a clear and consistent application of risk appetite: cautious where delivery failure would undermine confidence, funding or compliance, but appropriately open where managed risk enables innovation, partnership working and long-term place-based regeneration. Maintaining this balance will remain critical as programmes transition into 2026/27 and as future funding and resource contexts become clearer.

- **CR10 Physical Assets:** *The risk has a medium/high risk score of 9 and is forecast to remain static.*



The Council has continued to manage the Physical Assets corporate risk within its defined risk appetite, differentiating clearly between areas of no tolerance and those where a managed, informed level of risk is accepted. There remains no appetite for failing to meet statutory duties, particularly in relation to health and safety, building compliance, highways obligations and school place sufficiency. Strong governance, frequent reporting, and established compliance controls have provided assurance that these zero-tolerance areas are being proactively managed.

In contrast, a mixed appetite is recognised in relation to resources and asset investment, reflecting ongoing financial constraints, the scale and condition of the estate, and external funding dependencies. Throughout the year, this risk has been consciously managed through prioritisation, robust condition data, capital planning, and active mitigation, including the generation of capital receipts, phased investment programmes and strengthened corporate oversight. While residual risk remains, this is considered appropriate and proportionate within the Council's agreed appetite, balancing affordability with service continuity and long-term sustainability.

Overall, the residual risk position is stable, with no significant movement outside the Council's risk appetite. The direction of travel reflects a controlled risk environment, supported by strengthened compliance arrangements, improved visibility of asset condition, and progress towards a more corporate, strategic approach to asset management through the developing Corporate Landlord model.

- **CR12 Safeguarding:** *The risk has a medium score of 4 and is forecast to remain static.*

At year end, the Corporate Safeguarding Risk remains static, reflecting the inherently high impact and ongoing nature of safeguarding responsibilities. This position is consistent with the Council's risk appetite, which is averse to opposed across political, legislative, resource and service delivery dimensions, and cautious in relation to reputational risk.

While inherent risk remains high due to statutory duties, complexity of safeguarding demand and workforce pressures beyond the Council's direct control, strong governance, partnership working and well embedded corporate controls continue to provide assurance. These arrangements have reduced the residual risk to a level that is within the Council's defined appetite, recognising that there is no tolerance for control failure where the safety and wellbeing of vulnerable residents is concerned.

Looking ahead to 2026/27, the forecast static position reflects an appropriate and controlled risk profile, prioritising compliance, prevention and early intervention rather than risk acceptance, while maintaining continued oversight of emerging pressures and assurance from multi-agency arrangements.



- **CR13 Schools Budget Deficits:** The Risk has a high score of 12 and is forecast to remain static at this position.

The Council operated in a risk environment that consistently exceeded its stated risk appetite for financial sustainability and service delivery, reflecting the scale and systemic nature of schools' budget pressures. The inherent risk associated with schools' budget deficits remains very high, driven by factors largely outside the Council's direct control, including national funding levels, inflationary pressures, and increasing ALN and SEMH demand. While the Council's appetite for financial risk in this area is low, particularly where it could undermine reserves, statutory compliance, or learner outcomes, the year required a managed acceptance of elevated risk to maintain stability within the school system.

Strong governance, enhanced monitoring, and targeted intervention have been effective in containing risk within tolerable levels, preventing further deterioration and ensuring statutory duties continue to be met. Formal intervention processes, strengthened recovery planning, and increased central capacity have contributed to stabilisation, with clear evidence of improved financial discipline and delivery of planned savings across the highest risk schools. However, despite effective controls, the residual risk remains above appetite, particularly in the Resources and Service Delivery & Well-being categories, reflecting the structural and demand led nature of the challenge.

The Council's approach throughout the year demonstrated a deliberate balance between risk appetite and realism: prioritising early intervention, partnership working, and long-term system change over short-term corrective actions that could negatively impact educational outcomes. This reflects a clear strategic choice to accept higher residual risk in the short to medium term, while investing in sustainable improvement programmes designed to reduce reliance on reactive and resource intensive interventions.

Overall, the end of year position confirms that the Council's actions have been successful in holding the risk stable, aligning decision making with its stated risk appetite by avoiding unmanaged escalation, while recognising that a return to appetite compliant levels of risk will require sustained national reform, continued cultural change within schools, and further maturation of the improvement and recovery arrangements now in place.

Interdependencies within the Corporate Risk Register

The end-of-year position confirms that corporate risks are interrelated and managed as part of an integrated framework, rather than in isolation. These interdependencies are well understood and proactively overseen, and do not represent unmanaged or compounding risk.

Financial sustainability (CR1) remains the primary driver of interdependency across the Register, influencing workforce capacity (CR2), demand-led services such as ALN (CR5) and social care (CR6), housing and homelessness (CR8), and schools' financial sustainability (CR13). Ongoing structural funding pressures mean that elevated residual risk has been



explicitly and knowingly tolerated across several areas, supported by strong corporate oversight and escalation arrangements.

Workforce capacity and capability continue to underpin delivery across service-intensive risks. Recruitment pressures and skills gaps affect the pace of mitigation, particularly where the Council has a mindful to eager risk appetite for transformation and service change. The Workforce Plan and People Strategy therefore remain critical cross-cutting mitigations within the corporate risk framework.

Digital, information and cyber risks (CR3 and CR11) also demonstrate clear interdependencies with safeguarding, service delivery and major programmes, notably the WCCIS transition (CR7). Strengthened controls in digital resilience reduce escalation risk elsewhere, while recognised capacity constraints present shared delivery challenges rather than control failure.

Several long-term, place-based risks, climate change (CR4), regeneration (CR9), physical assets (CR10) and housing (CR8), are similarly interrelated. Decisions on capital investment, asset condition and decarbonisation directly affect financial exposure, service resilience and reputational risk. The Council's differentiated risk appetite supports managed risk-taking in these areas to enable progress against long-term objectives.

Overall, it is recommended that Members can take assurance that interdependencies across the Corporate Risk Register are explicitly recognised, transparently reported and managed through aligned governance and escalation arrangements. While residual risk remains above appetite in some areas due to external and systemic pressures, there is no evidence of uncontrolled escalation, and the integrated approach to risk management will remain central to decision making in 2026/27.

