

Meeting of:	Governance and Audit Committee
Date of Meeting:	Monday, 23 June 2025
Relevant Scrutiny Committee:	No Relevant Scrutiny Committee
Report Title:	Corporate Risk: Quarter 4 Update
Purpose of Report:	To update Governance and Audit Committee on the quarter 4 position of Corporate Risks for April 2024-March 2025 contained within the Corporate Risk Register as outlined in the Corporate Risk Summary Report.
Report Owner:	Tom Bowring, Director of Corporate Resources
Responsible Officer:	Tom Bowring, Director of Corporate Resources
Elected Member and Officer Consultation:	Consultation has been undertaken with designated Corporate Risk Owners, Strategic Insight Board, and the Strategic Leadership Team.
Policy Framework:	The proposals are within the Council's Policy Framework.
Executive Summary: <ul style="list-style-type: none"> This report provides Members with an overview of the Corporate Risk Register for Quarter 4 (April 2024-March 2025). The report also reflects the Strategic Leadership Team's (SLT) consideration of the recommendations made by this Committee following the quarter 3 period relating to several of the risks contained within the Corporate Risk Register. The Corporate Risk Register has a total of twelve identified risks with one risk scoring very high, four risks scoring high, five risks scoring medium/high, and two risks scoring medium. 	

Recommendations

1. That Committee note SLT's consideration of the responses to Cabinet's resolution following their consideration of the Governance & Audit Committee's referred comments (**Annex B**).
2. That Committee note the Quarter 4 position of corporate risks (April 2024-March 2025) outlined in the Risk Summary report (**Annex A**).
3. That Committee refer any other comments to Cabinet for their consideration and endorsement at the meeting when Cabinet will consider this report.

Reasons for Recommendations

1. To identify the actions undertaken in response to Cabinet's resolutions and consider any further action required.
2. To identify the quarter 4 position of corporate risks across the Council and highlight any emerging issues and actions to be taken as outlined in **Annex A**.
3. To ensure Cabinet receives the comments of the Governance & Audit Committee when considering corporate risk.

1. Background

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

2. Key Issues for Consideration

SLT Response to Q3 G&AC recommendations

- 2.1 **Annex B** details the responses by SLT and risk owners to the comments made by this committee in quarter 3. Committee requested further consideration on a number of risks as follows:

- That the scoring of the Financial Resources Risk be reconsidered following the possible impact of the Chancellor's Spring Statement and whether it warranted a higher risk score.
- That the scoring of the Delivery of Major Regeneration Projects be reconsidered and whether it warranted a higher risk score in relation to Barry Regeneration/Making Waves project as it was reported at the meeting of Environment and Regeneration Scrutiny Committee that there was a two-year delay.

- That the relevant Scrutiny Committee be invited to consider undertaking a deep dive investigation / Task and Finish review into the Additional Learning Needs Risk.

2.2 Upon review, it has been considered that the Chancellor's Spring Statement on 26 March does raise further concern for the public sector including Local Government. Most notably is the revision of the growth forecasts and this is now expressly stated in the risk assessment. However, the risks to growth and uncertainty in the economy are already reflected in the assessment, specifically in the level of the Welsh Government Settlement and consequently the overall level of risk and direction of travel are not changed at this time.

2.3 The responsible officer has considered the potential impact of delays to the Barry Regeneration/Making Waves project within the inherent risk and effectiveness of controls, and it is considered that the project can be managed within the existing controls in regard of those parts of the project to be delivered directly by the Council. The Plan for Neighbourhoods programme has been delayed following the 2024 election and is now due to commence in 2026/27 once full funding is received from UK Government. This was outside the control of the Council, but preliminary work will continue in 2025/26 and will build up once clear guidance has been provided around the new programme from UK Government. This has resulted in an increase to the overall residual risk score from a 4 (medium) to 6 (medium/high).

2.4 The relevant Scrutiny Committee are aware of the Additional Learning Needs Risk as a task and finish topic and the Democratic Officer is currently working it into the committee's forward work programme. The committee will be considering whether to take this item forward as a task and finish item in July.

Quarter Four Risk Updates

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

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

2.7 There has been an increase in the Delivery of Major Regeneration Projects risk following a re-evaluation of this risk and the impact of external delays extending project timelines. The remaining risks have remained static during this quarter.

- 2.8** There are four risks on the Register that we forecast will increase over time. These are: Information and Cyber Security, Climate Change and Nature Emergency, Social Care Demand and Capacity and Physical Assets.
- 2.9** The Information and Cyber Security risk has a medium/high risk score of 9 and is forecast to increase. Although the Council is committed to managing cyber and information risks, limited financial and human resources hinder its ability to implement effective controls. Failure to manage these risks could severely impact service delivery and the protection of council and resident data, affecting the wellbeing of residents, staff, and stakeholders. In Q2, there was an increase in Distributed Denial-of-Service (DDoS) attacks on the Council website. The Council is working with service providers to minimise impact, with plans in place for outages. While the risk remains, the number of attacks has significantly reduced.
- 2.10** The Climate Change and Nature Emergency risk has a high score of 12 and is expected to increase. Financial pressures and shrinking budgets are limiting the Council's ability to invest in key areas such as the Climate Change Challenge Plan, Sustainable Communities for Learning, nature recovery, and achieving net zero by 2030. Insufficient funding for council housing upgrades may lead to missed targets and higher tenant costs. There are risks of financial penalties for failing to meet energy efficiency and waste reduction targets. A lack of resources to respond to extreme weather events and implement biodiversity measures further compound the risk, making this one of the Council's most significant corporate concerns. However, there are actions in place to mitigate this risk such as the new Carbon Management Plan (2024–2030) that outlines emissions by area, actions taken, and further the Council's journey towards net zero.
- 2.11** The Social Care Demand and Capacity risk has a high-risk score of 12 and is forecast to increase from this position. The Council faces significant challenges in social care due to insufficient funding and staff shortages. Critical services like child protection, residential care, and domiciliary care are under pressure from rising demand and complex needs. The financial viability of external care providers is at risk, potentially leading to service disruptions and care provider failures, while fluctuating demand may impact homecare provider sustainability. Short-term and unstable grant funding complicates long-term integrated health and social care services. These challenges could result in the Council failing in its duty to safeguard residents, with potential for serious harm to the most vulnerable residents. Monthly capacity reporting and provider performance monitoring are in place to identify market gaps and address underperformance.
- 2.12** The Physical Assets risk has a medium/high risk score of 9 and is forecast to increase from this position. The Council may be unable to manage and utilise assets to deliver best value and services, including schools and highways. Failure to deliver the Sustainable Communities for Learning programme on schedule could jeopardise future Welsh Government funding and the School Investment Programme. The Community Asset Transfer (CAT) process faces resource and funding challenges, including covenants and planning issues, though liability can be

reduced where other organisations agree to take on responsibility. The Corporate Asset Management Plan highlights that current resources are insufficient to maintain assets at the preferred level, with a school maintenance backlog of £40M and £50M required to achieve net zero for the estate. Actions are underway to address residual school organisation risks, including a school organisation review and actions to ensure compliance with building regulations.

- 2.13** We anticipate that the Digital risk will diminish over time with a current medium risk score of 4. Failing to effectively grasp the benefits of digital transformation, while also anticipating and mitigating the potential challenges poses a risk to the Council. Failure to deliver the Digital Strategy and design services that meet our customers' needs in the channel of their choice will mean that services are not fit for purpose. Digital technology implementation costs can be significant and result in unplanned over-expenditure. However, the restructured Digital Team is focusing on transformation and service redesign utilising technology to deliver the best outcomes for residents. Work being undertaken by officers is providing effective controls to mitigate this risk and therefore it is forecast to diminish.

Internal Audit Review of Corporate Risk Management Arrangements & Risk Register

- 2.14** A 'Substantial' audit opinion has been issued on the Council's Corporate Risk Management arrangements. This follows the review of the Corporate Risk Register, associated Risk Management Strategy and revised arrangements implemented earlier in the year. Through a sample of Corporate risks, the review highlighted that our corporate risks continue to be appropriately managed with progress effectively reported. During the audit, a number of strengths and areas of good practice were identified as follows:

- The Corporate Risk Management Policy 2024 to 2028 clearly defines the roles and responsibilities of boards, committees, and staff at different levels.
- Oversight and Governance at both a corporate level and individual risk level was in place.
- There is evidence of challenge from Governance and Audit Committee being responded.

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

- 3.1** Risk Management is an intrinsic part of corporate governance and integrated business planning which underpins the delivery of the Council's Corporate Plan and its Well-being Outcomes. Our Corporate Plan has been structured around the Well-being of Future Generations (Wales) Act 2015, through the development of four Well-being Outcomes and eight Well-being Objectives. By aligning our Well-being Outcomes in the Corporate Plan with the Well-being Goals of the Act, this will enable us to better evidence our contribution to the Goals.

- 3.2** Corporate Risks are considered in the context of the Well-being of Future Generations Act in terms of their potential impact on our ability to deliver /meet the Well-being Goals. The multi-faceted nature of risk means they have the potential to impact on how we deliver our priorities within the Corporate Plan and ultimately impact on our ability to meet/deliver on the Well-being Goals. A failure to identify the different facets of risk and mitigating actions using the five ways of working puts us in a more vulnerable position in terms of our ability to manage the risks and could significantly impact on our ability to evidence our contribution to meeting the Well-being Goals into the longer term.
- 3.3** The five ways of working are also a key consideration in relation to our corporate risks as a key part of managing the risk involves developing a Risk Management Plan that identifies the mitigating actions that have a focus on the long term, prevention, integration, collaboration and involvement.

4. Climate Change and Nature Implications

- 4.1** Within the Risk Register there is a corporate risk referred to as Climate Change and Nature Emergency. This corporate risk is defined as failure to achieve the Welsh Government target of being net zero as an organisation by 2030 and to deliver the commitments in the Climate Change Challenge Plan which includes a range of activities that form our response to the climate and nature emergencies. The risk identifies a wide range of climate change/nature related risks that are monitored and reviewed every quarter to ensure they reflect any emerging areas of risk/issues. The risk has a Risk Management Plan that contains all risk related actions that will be undertaken during the year in order to further mitigate the associated risks and impact on climate change and the nature emergency. These risk actions are aligned to our Service Plans, and the Annual Delivery Plan, which in turn are aligned to the Council's climate change programme of work known as 'Project Zero' and the associated climate change challenges as outlined in the Climate Change Challenge Plan. Monitoring risk in this way enables us to not only assess progress being made in relation to risk activity, but to also understand its contribution to the wider Project Zero programme.
- 4.2** Monitoring the Climate Change and Nature Emergency risk also provides an opportunity throughout the year for officers to consider any further mitigating actions that will enable us to further minimise the adverse consequences of our activities.

5. Resources and Legal Considerations

Financial

- 5.1** Managing and reducing risks effectively helps to prevent unnecessary expenditure for the Council, reduces the potential for insurance claims and rising premiums. Members will note a specific risk relating to financial resources and also its interrelation with other proposed corporate risks.

Employment

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

Legal (Including Equalities)

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

6. Background Papers

[Corporate Risk Management Strategy](#)

[Corporate Risk All Templates Q4 2024-25](#)

[Governance and Audit Committee March 24th 2025 Corporate Risk Register: Quarter 3 Update](#)

[Cabinet 1st May 2025 Q3 24-25 Risk Register Update](#)

Qtr4 2024/25 - Risk Summary Report Update

Risk Scoring Definitions

Inherent and Residual Risk Scoring

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

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

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

Effectiveness of Controls Score

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

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

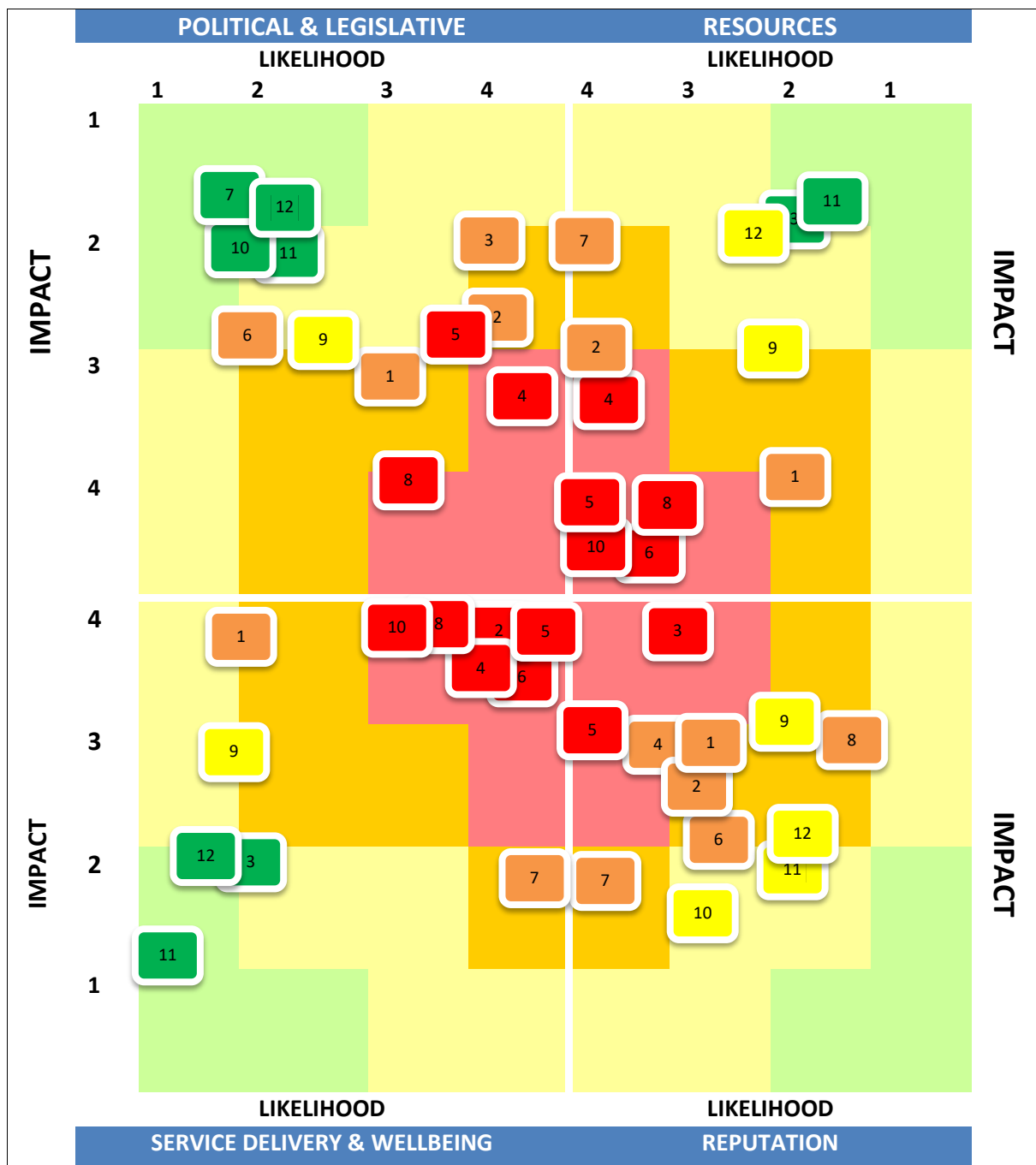
CORPORATE REGISTER SUMMARY

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

Risk Ref	Risk	Inherent Risk Score	Effectiveness of Controls score	Residual Risk Score			Direction of Travel	Forecast Direction of Travel
				Likelihood	Impact	Total		
5	Additional Learning Needs	16 (H)	1 (M/L)	4	4	16 (VH)	↔	↔
1	Financial Resources	16 (H)	2 (M/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/L)	3	4	12 (H)	↔	↑
8	Housing and Homelessness	12 (H)	2 (M/L)	3	3	9 (M/H)	↓	↔
10	Physical Assets	12 (H)	2 (M/L)	3	3	9 (M/H)	↔	↑
3	Information and Cyber Security	12 (H)	4 (M)	3	3	9 (M/H)	↔	↑
7	Transition from the Welsh Community Care Information System (WCCIS)	16 (H)	4 (M)	3	3	9 (M/H)	↔	↔
9	Delivery of Major Regeneration Projects	9 (M/H)	2 (M/L)	2	3	6 (M/H)	↑	↔
11	Digital	9 (M/H)	4 (M)	2	2	4 (M)	↔	↓
12	Safeguarding	12 (H)	4 (M)	2	2	4 (M)	↔	↔

THEMATIC RISK HEAT MAP

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



LIKELIHOOD

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

Risk overview

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

Direction of Travel

There has been an increase in the Delivery of Major Regeneration Projects risk. The remaining risks have remained static during this quarter.

Forecast Direction of Travel

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

Risks forecast to diminish

- **CR11 Digital:** The risk has a medium risk score of 4 and is forecasted to decrease from this position. Failing to effectively grasp the benefits of digital transformation, while also anticipating and mitigating the potential challenges poses a risk to the Council. Elements of our processes are increasingly requiring digitisation, and failure to develop our connectivity may result in an inability to deliver statutory requirements and reporting. Failure to deliver the Digital Strategy and design services that meet our customers' needs in the channel of their choice will mean that services are not fit for purpose. Additionally, digital technology implementation costs can be significant and result in unplanned over-expenditure. The utilisation of data at an advanced level provides the ability to more accurately predict future events and therefore design services accordingly. Failure to do so will result in poor outcomes for long term provision. However, the restructured Digital Team is focusing on transformation and service redesign utilising technology to deliver the best outcomes for residents. Work being undertaken by officers is providing effective controls to mitigate this risk and therefore it is forecast to diminish.

Risks forecast to escalate

There are four risks on the Register that we forecast will increase over the year these are:

Information and Cyber Security, Climate Change and Nature Emergency, Social Care Demand and Capacity and Physical Assets.

- **CR3 Information and Cyber Security:** The risk has a medium/high risk score of 9 and is forecast to increase. Data breaches could result in fines from the Information Commissioner's Office, increased insurance costs, and high expenses for breach correction and compensation. Cyber-attacks may require costly third-party and internal recovery efforts, while lost revenue during recovery could add further financial strain. Shrinking budgets and funding reduce the Council's ability to invest in necessary cybersecurity assets and programs. Legacy systems with vulnerabilities are at greater risk of exploitation by hackers, criminals, and unfriendly states. Budget constraints also limit access to essential cybersecurity skills, tools, backups, and disaster recovery capabilities, increasing the Council's exposure to attacks. Although the Council is committed to managing cyber and information risks, limited financial and human resources hinder its ability to implement effective controls. Failure to manage these risks could severely impact service delivery and the protection of council and resident data, affecting the

wellbeing of residents, staff, and stakeholders. In Q2, there was an increase in Distributed Denial-of-Service (DDoS) attacks on the Council website. The Council is working with service providers to minimise impact, with plans in place for outages. While the risk remains, the number of attacks has significantly reduced.

- **CR4 Climate Change and Nature Emergency:** The risk has a high score of 12 and is expected to increase. Financial pressures and shrinking budgets are limiting the Council's ability to invest in key areas such as the Climate Change Challenge Plan, nature recovery, and achieving net zero by 2030. Affordability issues are affecting key net zero programmes like Sustainable Communities for Learning, and insufficient funding for council housing upgrades may lead to missed targets and higher tenant costs. Limited funding for asset renewal and decarbonisation may prevent us from meeting CO2 reduction targets. There are risks of financial penalties for failing to meet energy efficiency and waste reduction targets. There is also recruitment challenges and risks of reputational damage from residents and partners such as the Public Services Board for failing to evidence a response to the climate and nature emergency. A lack of resources to respond to extreme weather events and implement biodiversity measures further compound the risk, making this one of the Council's most significant corporate concerns. However, there are actions in place to mitigate this risk such as the new Carbon Management Plan (2024–2030) that outlines emissions by area, actions taken, and further the Council's journey towards net zero.
- **CR6 Social Care Demand and Capacity:** The risk has a high-risk score of 12 and is forecast to increase from this position. The Council faces significant challenges in social care due to insufficient funding and staff shortages. Critical services like child protection, residential care, and domiciliary care are under pressure from rising demand and complex needs. A lack of specialist staff is impacting our ability to meet statutory functions, and limited capacity among care providers is restricting future service transformation. Limited available affordable placements for children looked after with complex needs is placing significant financial strain on budgets. The financial viability of external care providers is at risk, potentially leading to service disruptions and care provider failures, while fluctuating demand may impact homecare provider sustainability. Short-term and unstable grant funding complicates long-term integrated health and social care services. Recruitment and retention difficulties affect care quality and timeliness of assessments. These challenges could result in the Council failing in its duty to safeguard residents, with potential for serious harm to the most vulnerable residents. Monthly capacity reporting and provider performance monitoring are in place to identify market gaps and address underperformance.
- **CR10 Physical Assets:** The risk has a medium/high risk score of 9 and is forecast to increase from this position. The Council may be unable to manage and utilise assets to deliver best value and services, including schools and highways. Failure to deliver the Sustainable Communities for Learning programme on schedule could jeopardise future Welsh Government funding and the School Investment Programme. Failure to improve building safety and accessibility could breach our duties under the Health and Safety Act and Disability Discrimination Act. There is a risk the Council could not meet its statutory duties under the Additional Learning Needs and Education Tribunal Act 2018 due to limited resources and capacity. Budget constraints could hinder Net Zero commitments for

Council assets. Ageing highway infrastructure and illuminated assets, limited resurfacing funds, and overspent maintenance budgets, including for hedges and bus shelters, add to resource strain. The Community Asset Transfer (CAT) process faces resource and funding challenges, including covenants and planning issues, though liability can be reduced where other organisations agree to take on responsibility. The Corporate Asset Management Plan highlights that current resources are insufficient to maintain assets at the preferred level, with a school maintenance backlog of £40M and £50M required to achieve net zero for the estate. Actions are underway to address residual school organisation risks, including a school organisation review and actions to ensure compliance with building regulations.

Risks forecast to remain static

- **CR1 Financial Resources:** This risk has a high-risk score of 12 and is forecast to remain static. There is a risk of failure to deliver a balanced budget to sustain current and future services, achieve reshaping programme savings and secure external funding for economic development. A lower-than-expected Welsh Government settlement would exacerbate the funding deficit, placing further pressure on achieving more savings or further increasing income, while school deficits deplete reserves. Challenges in forecasting future social care demand further strain financial stability and service delivery. Failing to maximise alternative service delivery models and manage budget reductions could threaten service sustainability. Not adapting to the changing economic landscape or failure to effectively collaborate with key partners, including the Third Sector, may impact long-term viability and service integration. Procurement risks include noncompliance with the Council's Contract Procedure Rules, the Procurement Act and the Social Partnership and Procurement Act which would lead to financial penalties and costly service delivery failures as well as reputational damage. Mitigating actions include a new Contract Register and Forward to guide service redesign and procurement and a revised Council Procurement Policy & Strategy that is better aligned with partners, tracks spend and carbon data and supports social value delivery.
- **CR2 Workforce and Organisational Change:** This risk has a high-risk score of 12 and is forecast to remain static from this position. Failure to implement the Workforce Plan could harm the Council's efforts to increase apprenticeships, attract younger workers, and support its Equalities Strategy. Without action, the Council may struggle to meet future staffing needs and handle financial challenges. The Council already faces difficulties in recruiting and retaining skilled staff due to market pressures, especially in areas like Social Services and Neighbourhood Services. A lack of a pay strategy to address inflation may worsen these issues. Budget cuts limit workforce development, training, and recruitment efforts, which are vital for organisational change. Relying on temporary staff can cause inconsistencies in service delivery and increase stress on permanent employees. Staff morale is also at risk due to funding uncertainty and changing practices, potentially affecting service delivery and retention. Limited resources for upskilling may also hinder the Council's ability to support new operating models or digital transformation, impacting its ability to achieve long-term goals like the Reshaping Programme. To manage the risk, there is continued focus on strengthening workforce planning across all services to ensure robust and sustainable staffing structures to support transformational change and deliver services. Additionally, bespoke work is ongoing to address specific recruitment and

retention challenges in Social Services, Environment & Housing and Place Directorates. We are further enhancing our focus on training and development of staff alongside recruitment of specific skills across our services to support transformational change and delivery of new operational models. The People Strategy is also being revised to incorporate elements to support staff well-being. Preparations are underway to run the staff engagement survey in Q1-2 of 2025/26, the management development programme and Learning Cafes continue to operate to support staff in delivering new skills and competencies that are necessary to achieve the ambitions of Vale 2030 and the Reshaping Programme.

- **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. There is a risk that the Council may not meet its statutory duties under the Additional Learning Needs and Education Tribunal Act 2018 due to insufficient resources and capacity, potentially impacting children and families who rely on services. There is a financial risk associated with providing bespoke transport solutions to a growing number of children and young people with complex needs. There are also insufficient resources to deliver a fully bilingual service, resulting in unequal provision. Rising numbers of children and young people with complex neurodiverse needs and social/emotional health difficulties are placing additional pressure on specialist teams and affecting school staff wellbeing. To manage the risk, the Council has been working with stakeholders to explore ways to address additional learning needs transport and financial pressures, including a cross-directorate workshop to explore possible solutions. Proposed solutions will now be assessed for feasibility and cost effectiveness.
- **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. Delays in replacing CareDirector pose significant risks, including inadequate information for staff, potential data leaks, and loss of credibility. If regional partners do not adopt the new system, benefits such as cost savings and shared care records will be more difficult to achieve. Risks could be heightened by delays in procurement and potential shortfalls in funding from Digital Health and Care Wales or the Welsh Government. Failure to develop the replacement digital solution for WCCIS could disrupt service access, cause data loss, and compromise service delivery. Operating on an unsupported system could create serious safeguarding risks and damage public trust, while inviting scrutiny from regulators like Care Inspector Wales, Welsh Government, and Public Services Ombudsman for Wales. Progress has been made with the procurement of a new system, with the contract being awarded to Mosaic by Access UK Ltd and a Connecting Care Project Board has been established to oversee local implementation.
- **CR8 Housing and Homelessness:** Following a re-evaluation during Quarter 3, the risk score diminished from a high score of 12 to a medium/high score of 9 and is forecast to remain static at this position. While resources continue to pose a challenge, the effectiveness of existing controls across related risk areas have helped reduce the overall risk. The risk remains characterised by a necessity to ensure an adequate supply of affordable housing to meet local needs and support vulnerable residents. Failure to do so could result in non-compliance with the Housing (Wales) Act 2014, leading to advocacy challenges, legal

actions such as Judicial Review, funding impacts from the Welsh Government or even direct intervention from the Welsh Government in service delivery. Inadequate permanent housing increases reliance on costly temporary accommodation and strains services. Risk management is detailed in the Housing and Building Service Plan, which prioritises protecting vulnerable people through safeguarding partnerships, tackling domestic abuse, and providing targeted advice and assistance. The Plan also focuses on maximising existing assets and working with public and private partners. Actions include converting Council-owned buildings into accommodation, using Council land for new social housing, and collaborating with Registered Social Landlords and private landlords to expand housing supply for those on the Council's waiting list.

- **CR9 Delivery of Major Regeneration Projects:** This risk has a medium risk score of 6 and has increased during a review in Q4. The risk is forecast to remain static at this level. Failing to deliver large-scale regeneration projects on time and within criteria could harm the Council's economic resilience, job growth potential, and lead to political fallout. Current funding from the UK Government includes £20 million for Barry Making Waves, £20 million for Plan for Neighbourhoods Programme, and approximately £14 million from the Shared Prosperity Fund. Limited capacity, resources, and expertise could hinder the delivery of plans, such as the Local Development Plan and Carbon Management Plan. The commercial viability of elements of regeneration projects that will be delivered by partner organisations may deteriorate and the Council will not be able to deliver those part of the schemes which could impact public perception. Changes in government priorities and the closure of the Levelling Up Fund without a replacement could further hinder progress, funding and partnerships. These factors, combined with shrinking real-term budgets, puts pressure on financial resources and limits investment in regeneration. To manage this, the Council will adopt a prudent long term planning approach to the use of reserves to maximise levered funding opportunities from Welsh and UK Government including Levelling Up, transforming towns and LTPT.
- **CR12 Safeguarding:** The risk has a medium score of 4 and is forecast to remain static There is a risk the Council and partner organisations may not meet their legal safeguarding duties, including compliance with the Wales Safeguarding Procedures, leading to legal or political consequences. There is also a risk that the Council's safeguarding procedures may be inadequate or unenforced, and that external providers may fail to meet their responsibilities in protecting vulnerable people. Challenges in recruitment and retention of qualified workers could result in failure to protect vulnerable groups. Inadequate information-sharing systems may prevent safeguarding concerns from reaching the right people promptly. Failure of safeguarding procedures for children, young people and adults at risk could result in harm/injury, eroding public and attracting negative criticism from our regulators. Increased incidences of family abuse, neglect and domestic violence are also placing additional pressure on safeguarding services. To manage these risks, regular Corporate Safeguarding Group meetings review action plans, a task and finish group focuses on specific directorate actions, and a new local operational safeguarding group is being developed to strengthen multiagency safeguarding arrangements.

Governance & Audit comments	SLT /Officer Response
Heightened risk in relation to the Council's financial resources and the possible impact of the Chancellor's Spring Statement.	The Chancellor's Spring Statement on 26 March does raise further concern for the public sector including Local Government. Most notably is the revision of the growth forecasts and this is now expressly stated in the risk assessment. However, the risks to growth and uncertainty in the economy are already reflected in the assessment, specifically in the level of the Welsh Government Settlement and consequently the overall level of risk and direction of travel are not changed at this time.
Heightened risk in relation to Barry Regeneration/Making Waves project as it was reported at the meeting of Environment and Regeneration Scrutiny Committee that there was a two-year delay.	<p>The responsible officer for CR9 Delivery of Major Regeneration Projects has considered the potential impact of delays to Barry Regeneration/Making Waves project within the inherent risk and effectiveness of controls and it is considered that the project can be managed within the existing controls in regard of those parts of the project to be delivered directly by the Council.</p> <p>The Plan for Neighbourhoods programme has been delayed following the 2024 election and is now due to commence in 2026/27 once full funding is received from UK Government. This was outside the control of the Council, but preliminary work will continue in 2025/26 and will ramp up once clear guidance has been provided around the new programme from UK Government. This has resulted in an increase to the overall residual risk score from a 4 (medium) to 6 (medium/high).</p>
That the relevant Scrutiny Committee be invited to consider undertaking a deep dive investigation / Task and Finish review into the Additional Learning Needs Risk.	The committee are aware of this as a task and finish topic and the Democratic Officer is currently working it into the committee's forward work programme. The committee will be considering whether to take this item forward as a task and finish item in July.