Meeting of:	**Governance and Audit Committee**
Date of Meeting:	**Monday, 15 December 2025**
Relevant Scrutiny Committee:	No Relevant Scrutiny Committee
Report Title:	Corporate Risk: Quarter 2 Update
Purpose of Report:	To update Governance and Audit Committee on the quarter 2 position of Corporate Risks for 1st July – 30th September 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, and the Strategic Leadership Team.
Policy Framework:	The proposals are within the Council's Policy Framework.

Executive Summary:

- This report provides Members with an overview of the Corporate Risk Register for Quarter 2 (1st July – 30th September 2025). The report also reflects the Strategic Leadership Team's (SLT) consideration of the recommendations made by this Committee following the 2025/26 quarter 1 period relating to risks contained within the Corporate Risk Register.

- The Corporate Risk Register has a total of twelve identified risks. One risk has a score of very high, five risks score high, three risks score medium/high, and three risks score medium on the Register.

Recommendations

1. That Committee note SLT's consideration of the responses to the Governance & Audit Committee's comments for Quarter 1 (**Annex A)**.

2. That Committee consider the Quarter 2 position of corporate risks (1st July – 30th September 2025) outlined in the Risk Summary report (**Annex B**).

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 Governance & Audit Committee's comments and consider any further action required.

2. To identify the quarter 2 position of corporate risks across the Council and highlight any emerging issues and actions to be taken as outlined in **Annex B**.

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 B)** 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 Q1 2025/26 Governance & Audit Committee recommendations

  2.1 Annex A details the responses by SLT and risk owners to the comments made by this committee in quarter 1. Committee requested further consideration related to the delivery of major regeneration projects (CR9) risk as follows:

*   Further clarification and consideration was required on the position of the delivery of major regeneration projects such as Barry Marina and its centrality to these in light of ABP withdrawing from the delivery of a marina as part of the Vale's Levelling Up Programme, the acquisition of land (the Mole) earlier in the process and amendments

to parts of the scheme including the park and Ocean Water Sports training facilities to compensate for the loss;

- Further clarification and consideration were required on issues regarding the Cardiff Region City Deal and the impact of the legal settlement relating to Aberthaw Power Station.

2.2 The decision taken by ABP to withdraw from the delivery of a marina as part of the Vale's Levelling up programme was regrettable. However, the Council has been working with ABP to overcome this setback by seeking to acquire the land (the Mole) earlier in the process and is in the process of amending the other parts of the scheme including the park and Ocean Water Sports training facilities to compensate for the loss. Furthermore, UK Government has now confirmed that the changes are acceptable and that the monitoring of delivery will now be significantly more "light touch" than originally envisioned and that the Council will remain in control of what is actually delivered in consultation with the Section 151 officer. Consultants working for the Council have also shown that the value for money indicators used to assess the original award of the grant by UK Government remain within the required parameters and UK Government has confirmed that the grant will not be changed. An update report [Barry Making Waves](https://www.valeofglamorgan.gov.uk/Documents/_Committee%20Reports/Cabinet/2025/25-10-02/Barry-Making-Waves.pdf) - https://www.valeofglamorgan.gov.uk/Documents/_Committee%20Reports/Cabinet/2025/25-10-02/Barry-Making-Waves.pdf) was presented to Cabinet on 2nd October regarding these changes and outline how the project is moving forward.

2.3 The Cardiff Capital Region are managing this process which is ongoing at the current time and there has not been any update this quarter. The Council is part of the Corporate Joint Committee and has considered the most up to date position when updating the risk register.

Quarter Two Risk Updates

2.4 The Corporate Risk Summary Report (**Annex B**) 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.

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

2.6 Committee will note from the Cabinet agenda of 18th December 2025, that a report on School Deficits is to be considered. Within that report there is a recommendation that the Cabinet report (including a review undertaken by Audit Wales) be referred to this Committee for consideration. That report will be considered at the next meeting of this Committee. The position regarding school deficits is currently contained within the Financial Resources risk on the Register.

2.7 All risks have remained static during this quarter.

2.8 We anticipate that the Workforce and Organisational Change risk will diminish over time with a current high-risk score of 12. We recognise there are still ongoing challenges in specific areas, however work undertaken across the Council is leading to improvement in recruitment practices, vacancy gaps and sickness statistics. This includes initiatives within our social service directorate including fast track to care and graduate opportunities. 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. Budget cuts limit workforce development, training, and recruitment efforts, which are vital for organisational change. 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.

2.9 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. In line with Brilliant Basics guidance, work continues to review processes within our Employee service teams, which will see the introduction of new systems for learning, development and recruitment. The People Strategy is also being revised to incorporate elements to support staff well-being. The biannual staff survey was completed in the Summer 2025, and each directorate will now formulate directorate plans based around their staff results. To support this process the Autumn management development sessions focused on the 21st Century Public Servant model identifying skills for 21st Century Public Service Leaders. This model emphasizes a shift from traditional management to roles focused on innovation, collaboration, and a deeper understanding of citizen needs in a complex environment

2.10 There are six 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, Social Care Demand and Capacity CR6, Housing and Homelessness CR8, Physical Assets CR10 and Digital CR11.

2.11 The Information and Cyber Security risk (CR3) has a medium/high risk score of 9 and is forecast to increase given the cyberthreat landscape and recent attacks on councils and UK businesses. 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 programmes. 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. The Council is working with service providers to minimise impact, with plans in place for outages. The council has now fully onboarded to phase one of the CymruSOC Security Operations Centre and works in partnership with the CymruSOC team to detect, analyse, and respond to cybersecurity threats. Website disruption remains a risk but we have seen a reduction in the number of attacks impacting the council's website over the last quarter.

2.12 The Climate Change and Nature Emergency risk (CR4) has a high score of 12 and is expected to increase. The Council faces major risks in tackling climate change and the nature emergency, including capacity, expertise and resource to deliver on key plans like the Waste Strategy and the Carbon Management Plan. There is a risk of failing Welsh Government's net zero targets (2030 for the public sector, 2050 nationally), as well as statutory requirements linked to waste, planning and procurement, which could also lead to financial penalties. Rising costs, supply chain emissions, and limited budgets make it harder to invest in housing, schools and climate projects, while severe weather events like flooding, heatwaves and coastal erosion place further pressure on services.

2.13 A wide range of plans, strategies and partnerships are in place to support this, with progress monitored regularly by Place Scrutiny Committee, Cabinet and the Project Zero Board. Work is underway to cut carbon emissions through energy efficiency, greener transport, electric vehicles and sustainable procurement, while climate change considerations are now embedded into all major Council decisions and projects such as schools, housing and roadworks. Investment continues in flood prevention, coastal management, tree planting and biodiversity projects, alongside work to support sustainable food systems, improve the energy efficiency of homes and expand recycling, including trials for soft plastics and increasing on street recycling. The Council is also promoting active and low-carbon travel through cycle routes, EV charging points and workplace travel schemes. Through Project Zero, schools, young people, communities and partners are being engaged to raise awareness, encourage behaviour change and share best practice. Work has commenced through the PSB to better understand risks around climate change and consultants have been appointed to undertake a climate change risk assessment. The consultants presented to the PSB Asset Management and Climate Emergency sub-group to introduce the work and gather the experiences of partners. Workshop planning was undertaken and will bring partners together to explore experiences of weather and the impacts this has had on services and communities.

2.14 The Social Care Demand and Capacity risk (CR6) 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 such as 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. Regular governance meetings are in place to address demand, workforce, market fragility, and emerging issues. A Capacity Planning Workstream has been established with an action plan to address areas for improvement. Agency staff are used when necessary to meet statutory responsibilities and a staff supervision policy ensures regular monitoring of practice quality in Social Services. An action tracker monitors improvements related to CIW (Care Inspectorate Wales) feedback with all CIW's identified areas for improvement considered as complete and presented to Live Well Scrutiny Committee in May 2025.

2.15 The Housing and Homelessness risk (CR8) has a high score of 12 and is forecast to increase from this position. There is a new element of this risk posed by new, draft homelessness legislation due to be introduced across Wales. This places additional requirements on Local Authorities to provide greater assistance to a wider range of households. The risks include being able to fulfil requirements i.e. by providing suitable accommodation solutions to homeless people and also the increased costs associated with addressing the new responsibilities. A financial assessment of the potential impacts of the proposed legislation is currently being undertaken. While resources also 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 Environment and Housing Directorate Plan and the annual Housing Team 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.

2.16 The Physical Assets risk (CR10) 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.

2.17   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. The Council has strong governance and monitoring systems in place to manage its school and asset investment programmes. A range of boards, compliance systems, and reporting processes ensure risks, funding, and progress are closely tracked and regularly reported to senior leaders, Cabinet, and Welsh Government. Condition surveys, compliance checks, and updated databases provide clear information on the state of school buildings and other assets, helping to prioritise limited resources with the Council also progressing school modernisation. Community Asset Transfers (CATs) are carefully considered by cross-service groups, with consultation and Cabinet approval built into the process. Land sales, Section 106 funding, and external grants are being used to fund improvements.

2.18   The Digital risk (CR11) has a medium risk score of 4 and is forecast to increase. We are making significant progress in delivering the foundational activities for long term transformation and have a robust roadmap for digitalisation. We have identified that there are extensive opportunities for digitalisation, and our risk remains that we do not optimise against these due to lack of capacity. 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. We are currently investing financially at a sufficient level to meet the basic needs of the Council and its residents. However, we need to consider if further investment could increase the pace and breadth of digitalisation. The restructured Digital Team is focusing on transformation and service redesign utilising technology to deliver the best outcomes for residents. This has recently included a number of re-designed, digital-first services that allow customers to interact with us through our website, we are also increasingly evaluating and trialling alternative digitalisation opportunities such as ChatBots, VoiceBots and Home Assistants. We have begun a number of projects to explore the utilisation of AI and are taking a cautious but curious approach, focused initially on the use of AI for

colleagues to support customer experience. A number of legacy systems have also recently been replaced including OHMS with NEC and we are looking at alternative solutions for a range of other legacy products.

2.19   The five remaining risks are forecast to remain at the same levels. Committee will note the comment above regarding school deficits.

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 Vale 2030. The Corporate Plan has been structured around the Well-being of Future Generations (Wales) Act 2015, through the development of five new Well-being Objectives.

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 Directorate Plans, and 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 Q2 2025-26

Governance and Audit Committee 15th September 2025 Corporate Risk Register Q1 Update

Governance & Audit comments	SLT /Officer Response
Further clarification and consideration was required on the position of the delivery of major regeneration projects such as Barry Marina and its centrality to these in light of ABP withdrawing from the delivery of a marina as part of the Vale's Levelling Up Programme and the acquisition of land (the Mole) earlier in the process and amend the other parts of the scheme including the park and Ocean Water Sports training facilities to compensate for the loss;	The decision taken by ABP to withdraw from the delivery of a marina as part of the Vale's Levelling up programme was regrettable. However, the Council has been working with ABP to overcome this setback by seeking to acquire the land (the Mole) earlier in the process and is in the process of amending the other parts of the scheme including the park and Ocean Water Sports training facilities to compensate for the loss. Furthermore, UK Government has now confirmed that the changes are acceptable and that the monitoring of delivery will now be significantly more "light touch" than originally envisioned and that the Council will remain in control of what is actually delivered in consultation with the Section 151 officer. Consultants working for the Council have also shown that the value for money indicators used to assess the original award of the grant by UK Government remain within the required parameters and UK Government has confirmed that the grant will not be changed. An update report was presented to Cabinet on 2nd October regarding these changes and outline how the project is moving forward.
Further clarification and consideration were required on issues regarding the Cardiff Region City Deal and the impact of the legal settlement relating to Aberthaw Power Station	The Cardiff Capital Region are managing this process which is ongoing at the current time and there has not been any update this quarter. The Council is part of the Corporate Joint Committee and has considered the most up to date position when updating the risk register.

Qtr2 2025/26 - Risk Summary Report Update

Corporate Risk Q2 25-26 All Risk Management Templates

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 *MEDIUM*	8 MEDIUM/HIGH	12 HIGH	16 VERY HIGH
	High	3 *MEDIUM/LOW*	6 *MEDIUM*	9 MEDIUM/HIGH	12 HIGH
	Medium	2 LOW	4 *MEDIUM*	6 *MEDIUM*	8 MEDIUM/HIGH
	Low	1 VERY LOW	2 LOW	3 *MEDIUM/LOW*	4 *MEDIUM*
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

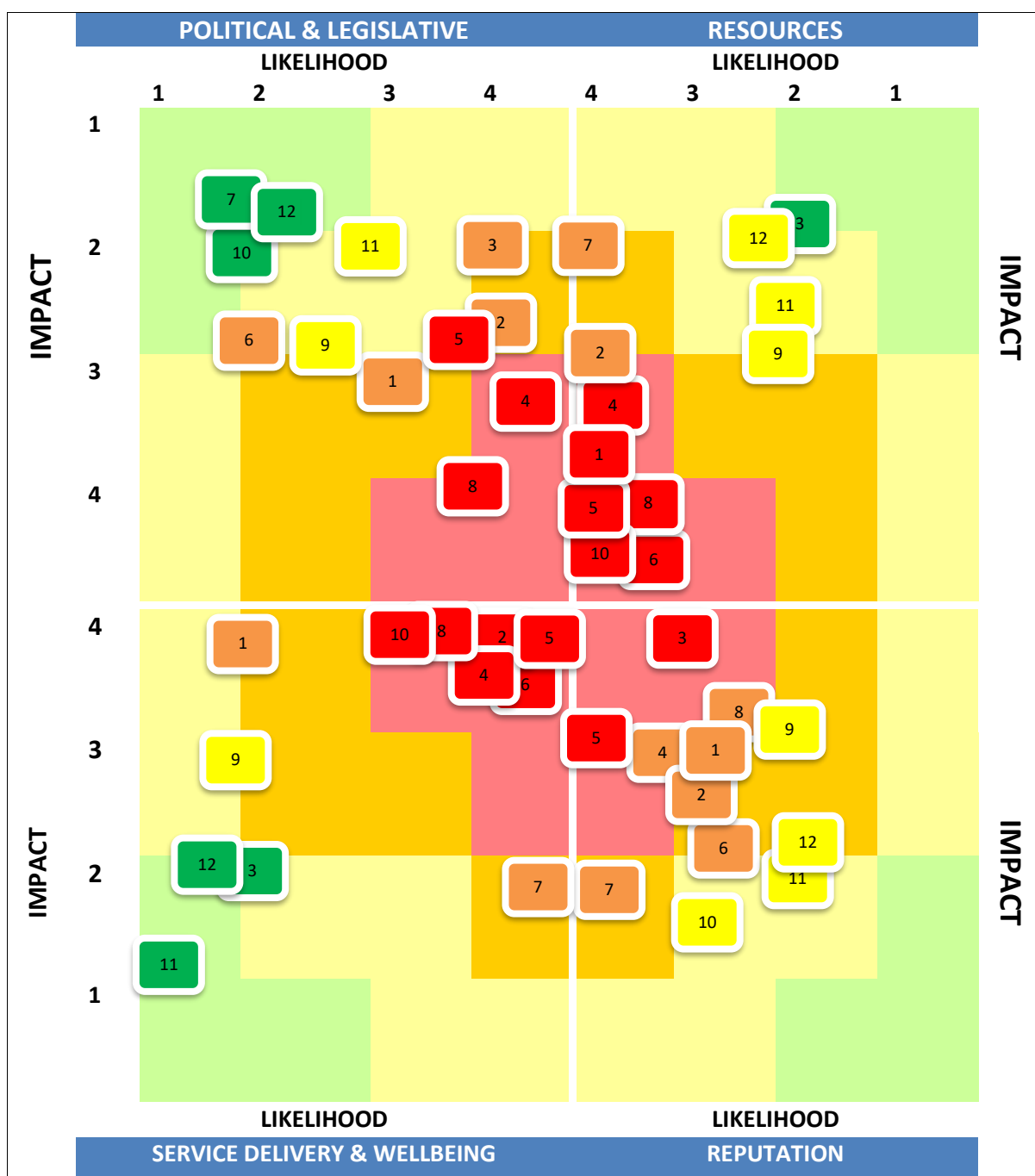| Score	Effectiveness of control
0	Very Low control of the risk
1	Low control of the risk
2	Medium control of the risk
3	High control of the risk
4	Very high control of the risk

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.

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/L)	3	4	12 (H)	↔	↑
8	Housing and Homelessness	16 (VH)	2 (M/L)	4	3	12 (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 (VH)	4 (M)	3	3	9 (M/H)	↔	↔
9	Delivery of Major Regeneration Projects	9 (M/H)	2 (M/L)	2	3	6 (M)	↔	↔
11	Digital	9 (M/H)	4 (M)	2	2	4 (M)	↔	↑
12	Safeguarding	12 (H)	4 (M)	2	2	4 (M)	↔	↔

LIKELIHOOD   LIKELIHOOD

1   2   3   4   4   3   2   1

IMPACT   IMPACT

1

2

3

4

4

3

2

1

IMPACT   IMPACT

LIKELIHOOD   LIKELIHOOD

SERVICE DELIVERY & WELLBEING   REPUTATION

LIKELIHOOD

THEMATIC RISK HEAT MAP

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

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, five risks score high, three risks score medium/high, and three risks score medium on the Register.

Direction of Travel

All risks have remained static during this quarter.

Forecast Direction of Travel

During the quarter 2 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 diminish from this position.*
  We recognise there are still ongoing challenges in specific areas, however work undertaken across the Council is leading to improvement in recruitment practices, vacancy gaps and sickness statistics. This includes initiatives within our social service directorate including fast track to care and graduate opportunities. 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. Budget cuts limit workforce development, training, and recruitment efforts, which are vital for organisational change. 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. In line with Brilliant Basics, work continues to review processes within our Employee service teams, which will see the introduction of new systems for learning and development and recruitment.

The People Strategy is also being revised to incorporate elements to support staff well-being. The biannual staff survey was completed in the Summer 2025, and each directorate will now formulate directorate plans based around their staff results. To support this process the Autumn management development sessions have focused on the 21st Century Public Servant model identifying skills for 21st Century Public Service Leaders. This model emphasizes a shift from traditional management to roles focused on innovation, collaboration, and a deeper understanding of citizen needs in a complex environment.

Risks forecast to escalate
There are six 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, Housing and Homelessness, Physical Assets and Digital

- **CR3 Information and Cyber Security:** *The risk has a medium/high risk score of 9 and is forecast to increase given the cyberthreat landscape and recent attacks on councils and UK businesses.*
  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. The Council is working with service providers to minimise impact, with plans in place for outages. The council has now fully onboarded to phase one of the CymruSOC Security Operations Centre and works in partnership with the CymruSOC team to detect, analyse, and respond to cybersecurity threats. Website disruption remains a risk but we have seen a reduction in the number of attacks impacting the council's website over the last quarter.

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

  The Council faces major risks in tackling climate change and the nature emergency, including capacity, expertise and resource to deliver on key plans like Vale 2030, the Waste Strategy and the Carbon Management Plan. There is a risk of failing Welsh Government's net zero targets (2030 for the public sector, 2050 nationally), as well as statutory requirements linked to waste, planning and procurement, which could also lead to financial penalties. Rising costs, supply chain emissions, and limited budgets make it harder to invest in housing, schools and climate projects, while severe weather events like flooding, heatwaves and coastal erosion place further pressure on services. A wide range of plans, strategies and partnerships are in place to support this, with progress monitored regularly by Place Scrutiny Committee, Cabinet and the Project Zero Board. Work is underway to cut carbon emissions through energy efficiency, greener transport, electric vehicles and sustainable procurement, while climate change considerations are now embedded into all major Council decisions and projects such as schools, housing and roadworks. Investment continues in flood prevention, coastal management, tree planting and biodiversity projects, alongside work to support sustainable food systems, improve the energy efficiency of homes and expand recycling, including trials for soft plastics and increasing on street recycling. The Council is also promoting active and low-carbon travel through cycle routes, EV charging points and workplace travel schemes. Through Project Zero, schools, young people, communities and partners are being engaged to raise awareness, encourage behaviour change and share best practice. Work has commenced through the Public Services Board (PSB) to better understand risks around climate change and consultants have been appointed to undertake a climate change risk assessment. The consultants presented to the PSB Asset Management and Climate Emergency sub-group to introduce the work and gather the experiences of partners. Workshop planning was undertaken and will bring partners together to explore experiences of weather and the impacts this has had on services and communities.

- **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 such as 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. Regular governance meetings are in place to address demand, workforce, market fragility, and

emerging issues. A Capacity Planning Workstream has been established with an action plan to address areas for improvement. Agency staff are used when necessary to meet statutory responsibilities and a staff supervision policy ensures regular monitoring of practice quality in Social Services. An action tracker monitors improvements related to CIW (Care Inspectorate Wales) feedback with all CIW's identified areas for improvement considered as complete and presented to Live Well Scrutiny Committee in May 2025.

- **CR8 Housing and Homelessness:** *The risk has a high score of 12 and is forecast to increase from this position.*
  There is a new element of this risk posed by new, draft homelessness legislation due to be introduced across Wales. This places additional requirements on Local Authorities to provide greater assistance to a wider range of households. The risks include being able to fulfil requirements i.e. by providing suitable accommodation solutions to homeless people and also the increased costs associated with addressing the new responsibilities. A financial assessment of the potential impacts of the proposed legislation is currently being undertaken. While resources also 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 Team 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.

- **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. The Council has strong governance and monitoring systems in place to manage its school and asset investment programmes. A range of boards, compliance systems, and reporting processes ensure risks, funding, and progress are closely tracked and regularly reported to senior leaders, Cabinet, and Welsh Government. Condition surveys, compliance checks, and updated databases provide clear information on the state of school buildings and other assets, helping to prioritise limited resources with the Council also progressing school modernisation. Community Asset Transfers (CATs) are carefully considered by cross-service groups, with consultation and Cabinet approval built into the process. Land sales, Section 106 funding, and external grants are being used to fund improvements.

- **CR11 Digital:** *The risk has a medium risk score of 4 and is forecast to increase from this position.*
We are making significant progress in delivering the foundational activities for long term transformation and have a robust roadmap for digitalisation. We have identified that there are extensive opportunities for digitalisation, and our risk remains that we do not optimise against these due to lack of capacity. 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. We are currently investing financially at a sufficient level to meet the basic needs of the Council and its residents. However, we need to consider if further investment could increase the pace and breadth of digitalisation. The restructured Digital Team is focusing on transformation and service redesign utilising technology to deliver the best outcomes for residents. This has recently included a number of re-designed, digital-first services that allow customers to interact with us through our website, we are also increasingly evaluating and trialling alternative digitalisation opportunities such as ChatBots, VoiceBots and Home Assistants. We have begun a number of projects to explore the utilisation of AI and are taking a cautious but curious approach, focused initially on the use of AI for colleagues to support customer experience. A number of legacy systems have also recently been replaced including OHMS with NEC and we are looking at alternative solutions for a range of other legacy products.

Risks forecast to remain static

- **CR1 Financial Resources:** *This risk has a high-risk score of 12 and is forecast to remain static.*
  The school's deficit risk has been escalated with fortnightly meetings in place from the start of September with the Leader, Chief Executive, Director of Learning & Skills and s151 Officer and informal notices issued to the 10 schools. The residual resource risk score was increased last quarter to reflect the increasing concern. Additional actions are being progressed to strengthen controls, however, at present the risk will need to remain at this level. 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 non-compliance 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. Actions in place to control inherent risk include savings and efficiency projects developed across services, with risks carefully managed and equality impacts considered. Progress is tracked through a financial tracker, business cases, and regular reporting to programme boards and committees. The Reshaping and Transformation Programme provides a clear framework for managing reduced resources while protecting frontline services. Income generation, fees, and commercial opportunities are being developed to strengthen financial resilience, alongside a new Digital Strategy to improve efficiency. Procurement is being modernised with training, awareness raising, and preparation for the Procurement Act 2023 and the Social Partnership & Public Procurement (Wales) Act. The Council is embedding social value, sustainable procurement, and circular economy principles into its processes. A shared procurement service, contract register, and forward planning are helping to improve capacity and resilience.

- **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. These ideas will now be

considered in greater detail to investigate feasibility of them and the cost benefits. Terms of Reference for the ALN Transport working group has been agreed and a draft pilot programme for ALN transports has been drafted. The Education Endowment Foundation has been commissioned to work with the LA and schools to improve the quality and consistency of teaching and learning to meet the needs of all learners. Initial explorative work has been undertaken with Welsh LAs to establish how their ALN panels and decision-making systems and processes operate. This will help to streamline systems/processes in a way that enables efficient and effective decision making and allocation of placements to better manage demand.

- **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. 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. There is currently a potential for additional costs being incurred due to the extended duration and the dependencies on external data access from WCCIS. 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. Additional staff have also been recruited to lead on Mosaic implementation. The Connecting Care Social Care Programme (CCSCP) Transition Management Group continues to make progress in supporting the coordinated contract exit from the CareDirector system. We have submitted an expenditure forecast to WLGA in relation to potential funding from the WLGA for 2025/26. Early indicators suggest we may be able to claim for some of the costs of running two systems alongside one another during the implementation period and also for some of the additional staffing costs associated with the implementation programme.

- **CR9 Delivery of Major Regeneration Projects**: *This risk has a medium risk score of 6 and is now 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 (now known as Pride in Place), and approximately £5 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 parts of the schemes. This has already occurred with ABP deciding to pull out of the delivery of the Marina element of the Barry Making Waves project as a result of increasing costs and reducing viability due to current market conditions.

However, the Council has been working with ABP to overcome this setback by seeking to acquire the land (the Mole) earlier in the process and is in the process of amending the other parts of the scheme including the park and Ocean Water Sports training facilities to compensate for the loss. 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 funding opportunities from Welsh and UK Government including Levelling Up and transforming towns. Mechanisms are in place via the Project management tool kit, the Investment Strategy and regeneration governance to provide safeguards against project failure. Place Boards for each of the four town are now set up and meet monthly reporting to an overarching Place Board.

- **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. An audit of the corporate safeguarding governance and training in May 2025 found 'reasonable' assurance.