

Appendix A

Bridgend County Borough Council

Corporate Risk Assessment

January 2026

Risk Number	Identified Risk	Residual Risk Score	Direction of travel from previous report
COR-2019-01	The Council is unable to deliver a balanced budget and sustain services into the medium term	20	↓
COR-2019-02	The Council is unable to deliver transformation and major service change, including projects and agreed financial savings	16	↓
CEX - 2019 – 01	The Council is unable to identify and deliver infrastructure improvements required in the medium to longer term due to the cessation of external grants, the increased cost of borrowing and the increased costs of construction and building works	20	↓
SS- 2019-01	The Council fails to meet statutory responsibilities to respond to situations where individuals are at risk of neglect or abuse. This would include children, adults in need of social care, homeless individuals	20	↔
COR-2019-03	The Council is unable to plan for and recover from major threats to service continuity such as civil emergencies, school failure, cyber-attack and discontinuation of funding streams and major contracts	16	↔
COR-2019-04	The Council is unable to attract, develop or retain a workforce with the necessary skills to meet the demands placed upon the authority and its services	20	↔
COR-2019-05	Important Council services are compromised due to the failure of a key supplier	16	↔
COM-2020-01	Invigorating the economy and economic recovery following the cost of living crisis, and local issues such as the closure of businesses in the area.	20	↔

SS-2023- 01	Significant service pressures in the health and social care sectors could impact on the ability of services to support vulnerable individuals	25	↔
EDFS-2024-01	There is an increase in the financial fragility of schools in the Borough	25	↔
COR-2024-01	There is a threat to business continuity if the Council is unable to procure and implement major ICT systems which support critical services such as a replacement system for Care Director (WCCIS) and the Capita One system for education.	20	↓

Identified Risk	The council is unable to deliver a balanced budget and sustain services into the medium term
Risk Number	COR - 2019 – 01
Impact of Risk	<p>The Council has been making budget reductions since 2010 and identified revenue savings of £96.7m in that time. As a result, it is harder each year to identify and deliver ongoing budget reductions. Difficult decisions to cut or reduce service levels have been made in the past, but more must be made if the Council is to deliver the changes necessary to achieve a balanced budget. A failure to do so will result in the council being in breach of its legal responsibilities.</p> <p>In recent years, the Council has had to manage unprecedented in year financial pressures which has impacted on the financial resilience of the Council. An improved position for 2024-25 and 2025-26 has made a positive difference to the Council's overall financial position. Whilst there has been a better than expected settlement for 2026-27, due to funding shortages across the public sector, the longer term predictions with regards to funding to be received from Welsh Government are challenging for 2027-28 onwards.</p> <p>Inflationary pressure, most acutely in areas such as energy and pay awards, means that there is inevitably a greater focus on the "here and now". The increased demand for services due to demographic pressures and increased levels of need in our communities also put pressure on the financial resources that the Council has.</p> <p>The impact of this includes potential budget deficits, reduced service delivery, and the inability to invest in critical infrastructure and community services that the public value. Careful planning and difficult choices will be key to ensuring that a balanced financial position is maintained.</p> <p>Ultimately if the Council fails to balance its budget or manage the increased pressures, the Sec 151 Officer would have to issue a Sec114 notice which could result in the management of the council being undertaken by Commissioners appointed by the government.</p>
Addressing the risk	<p>The council manages this risk through existing budget and business planning processes which include early identification of savings targets and development of options for cabinet, challenge from scrutiny and formal and informal briefings of members and political groupings.</p> <p>The review of the Budget Research and Evaluation Process has resulted in increased scrutiny by cross party groups of members during the budget setting process. Elected members are also briefed on the financial position during the year. In setting the 2025/2026 budget, difficult decisions had to be made re budget savings and approved growth across the budget.</p>

Actions to be established	<p>Continuously review the assumptions built into the MTFS to promote multiyear forecasting and longer-term financial planning. Keep elected members informed of updated position and re-align MTFS as appropriate.</p> <p>The Authority is investing in service transformation will enable the Authority to systematically review services to ensure the most effective service model is used to deliver effective services.</p> <p>The budget planning process for 2027/2028 will be started earlier, with a service and financial review considering the budget outturn position from 2025-26 to realign budgets where possible.</p> <p>The work of the Budget Research and Evaluation Panel has been refocused for the 2026-27 budget setting process to ensure more rigorous challenge and the involvement of more elected members in the process. This will be reviewed at the start of the new financial year to consider any improvements that can be made to the process.</p> <p>For MTFS going forward, there will be more focus on potential areas of saving, even if not currently proposed, rather than just proposed savings. Focus to be more deep dives into targeted areas, with the data from a number of sources being used to identify possible service areas for review.</p> <p>MTFS will consider longer term pressures and ensure these are fully considered beyond the life of the 4 year MTFS. In the short term there will need to be a concerted "One Council" approach to identify and agree the immediate priorities while continuing to try to put the right changes and measures in place to develop an effective and sustainable longer term financial plan for the organisation.</p> <p>The impact of grant fall out on individual services will be monitored to determine financial and service impact. In the longer term, difficult policy decisions will have to be made regarding future levels of service delivery to ensure that the Council is able to set a balanced budget going forward.</p> <p>Work will be done to ensure that during the period of significant change, robust governance is maintained to ensure all decisions are made on the basis of information, financial and service risk analysis and taking account of the long term impact of decisions made.</p>
Risk Owner	CMT
Wellbeing Objective	All Wellbeing Objectives

Risk Score

	Likelihood	Impact	Total	Previous Score	Direction of travel since previous report
Raw Risk Score	5	5	25		
Residual Risk Score	4	5	20	25	↓

Identified Risk	The council is unable to deliver transformation and major service change, including projects and agreed financial savings
Risk Number	COR - 2019 - 02
Impact of Risk	<p>If the council is unable to change the way that staff work, including new roles, collaborations and the acquisition of new skills, it will be unsuccessful in delivering service transformation, which will lead to it not meeting its commitments within available budgets. Of particular importance here are the actions required to tackle service change to meet financial pressures and external requirements such as the Climate Emergency, the requirement to drive the more efficient use of resources, the Sustainable Communities for Learning Programme, and the process to bring some services back under the direct management of the Council, such as the waste services. The consequences of this will have a detrimental impact on all areas of the Borough.</p> <p>Our ability to have the amount of resource and expertise to implement significant transformation programmes is compromised by a lack of senior management strategic capacity, more limited back office corporate support , and insufficient specialist skilled resource, as well as an increased and large number of service ' change ' programme requirements</p>
Addressing the risk	<p>The council has a number of programmes and strategies in place that either directly support specific proposals for service improvement, deliver large scale capital regeneration projects, provide wider transformation opportunities and /or financial savings. Further transformation opportunities will be required to support a 'One Council' culture and support staff and managers through transformation. The Council does have programme boards in place to shape and deliver these programmes</p> <p>Budget growth is included in the draft budget to fund transformation which, if approved, will make a significant contribution to enabling the Authority to review and change its services.</p>
Actions to be established	<p>The draft budget for next year includes proposals to fund a new strategic transformation function within the Authority. This will enable the Council to :</p> <ul style="list-style-type: none"> ● Work across all service areas, dealing with services on an agreed priority basis ● Review the use of technology and AI across services to ensure it supports and enhances service delivery and efficiency. ● Support to bring about workforce changes and development ● Develop a robust governance framework to prioritise, monitor and evaluate the work being undertaken ● Increase capacity across the organisation to ensure the delivery of change

Risk Owner	CMB
Wellbeing Objective	All Wellbeing Objectives

Risk Score

	Likelihood	Impact	Total	Previous score	Direction of travel since previous report
Raw Risk Score	5	5	25		
Residual Risk Score	4	4	16	20	↓

Identified Risk	The council is unable to identify and deliver infrastructure improvements required in the medium to longer term due to the cessation of external grants, the increased cost of borrowing and the increased costs of construction and building works
Risk Number	CEX- 2019-01
Impact of Risk	<p>If the council does not have sufficient capital to maintain, improve and replace its infrastructure, including roads, streetlights, school buildings and technology then they will deteriorate bringing safety and financial risks which could lead to adverse incidents, reports, publicity, fines and ultimately prosecution.</p> <p>There is an increased risk that the Council will no longer be able to deliver capital investment to the same level making it more difficult for the Council to afford all of its ambitions around investing in its infrastructure to improve and enhance service delivery due to the impact on the revenue budget.</p> <p>Due to reduced capital finance, the Council will have to prioritise more effectively and there is a risk of reduced investment in important infrastructure moving forward.</p>
Addressing the risk	<p>The council has a ten year capital programme. The development of this programme and arrangements for its review and updating are well established.</p> <p>The capital programme is regularly reviewed, updated and reported to Members but it is evident that the costs of projects have risen, sometimes significantly, and the availability of contractors has often become more limited thereby reducing competition.</p> <p>The procurement process has been reviewed to reduce the number of returned tenders that exceed the budget available.</p>
Actions to be established	<p>The Council will continue to seek external and match funding for projects to maximise its capital programme spending capability.</p> <p>Where feasible the capital earmarked reserve will be replenished to mitigate the decline in available and potential new capital funds, although this will be challenging due to the financial pressures in the revenue budget. The Council will continue to operate a strategy where capital receipts are not ring-fenced, to ensure that maximum flexibility is available.</p> <p>All capital bids will be fully considered by CMB and CCMB in line with the Capital Strategy, before inclusion in the capital programme. Schemes must have been subject to a full feasibility assessment. These assessments will take account of the financial and supplier issues and manage the expectations of service users and managers at the planning stage. This should inform more accurate costings and profiling of spend to avoid potential overspends or delays in schemes.</p>

	<p>The procurement process will also be considered, and qualification criteria updated to try and avoid supplier issues.</p> <p>When closing the 2024-25 accounts, additional monies were earmarked for capital expenditure which will need to be allocated according to the agreed priorities for the Council and with a view to the longer term funding position for the Council</p>
Risk Owner	CMB
Wellbeing Objective	All Wellbeing Objectives

Risk Score

	Likelihood	Impact	Total	Previous Score	Direction of travel since previous report
Raw Risk Score	5	5	25		
Residual Risk Score	4	5	20	25	↓

Identified Risk	The council fails to meet statutory responsibilities to respond to situations where individuals are at risk of neglect or abuse. This would include children, adults in need of social care and homeless individuals
Risk Number	SS-2019-01
Impact of Risk	<p>Risks to the safety and wellbeing of children and adults at risk of neglect or abuse are significant and require an effective, highly skilled response from the multi-agency safeguarding partnership with leadership from the local authority. There is a risk that, without adequate budgets and the lack of a sufficiently experienced workforce, the Council's safeguarding arrangements will not be effective, and that children and adults at risk will not be kept safe and will experience harm.</p> <p>Initial referrals into children services remains high however number on the Child Protection Register have reduced. Significant work has been done to strengthen staff teams in the past year. The Council has statutory duties to provide sufficient resources to safeguard children and adults as well as to set a balanced budget and could face intervention from Welsh Government if it fails in either duty</p>
Addressing the risk	<p>The Council continues to prioritise this area of work. A number of different actions are being taken to address these concerns. In relation to staffing matters additional staff have been employed to ensure the service is able to meet the increasing demand for services, the Council's Market Supplement Policy has been invoked to support the recruitment of staff to the childcare teams, resource has been found to support increased numbers of staff accessing the social work training scheme and positive work has been done to establish an overseas recruitment programme.</p> <p>Working practices in the service are being reviewed and the Council continues to work effectively with key partners. There is a reporting structure in the service to monitor the work required to address the range of issues and this feeds up to Social Services Improvement Board which consists of senior officers, the Leader and Deputy Leader of the Council and other elected members. Council approved a sustainability plan for children services and the over reliance on agency staff has been reduced significantly as a consequence of this work.</p>
Actions to be established	<p>The Corporate Safeguarding Officer enhances the support to corporate safeguarding arrangements. A priority for the service will be to continue to enhance the early intervention, prevention and edge of care service to support children to live safely in their own homes. The service will continue to invest in partnerships with other public services, the third sector and community groups to improve outcomes for individuals and families in the most effective and cost effective way.</p>

	<p>The Regional Safeguarding Board is developing common quality and performance reporting via the steering group to include clear trigger points of escalated action.</p> <p>Work is being undertaken to develop a sustainable model for the service which includes practice, workforce and funding issues</p>
Risk Owner	CMB
Wellbeing Objective	A County Borough where we protect our most vulnerable

Risk Score

	Likelihood	Impact	Total	Previous Score	Direction of travel since previous report
Raw Risk Score	5	5	25		
Residual Risk Score	4	5	20		↔

Identified Risk	The council is unable to plan for and recover from major threats to service continuity such as civil emergencies, school failure, cyber attack and discontinuation of funding streams and major contracts
Risk Number	COR-2019-03
Impact of Risk	If the council does not have the capacity and expertise to plan for and protect itself against major threats such as cyber-attack, civil emergencies, fragility in our schools and significant financial variations there may lead to a failure to deliver services, both in the short and long term. The consequence of this risk would include a threat to business continuity due to lack of key resources such as ICT, the closure of a key building or asset due to structural damage, loss of confidence in the public regarding the ability of the council to manage in a time of emergency and increased demand for support from those effected
Addressing the risk	<p>The council has established emergency planning arrangements including a Major Incident Plan and contributes to the South Wales Local Resilience Forum (SWLRF) and South Wales Resilience Team (SWRT).</p> <p>Training is being provided to staff who will be involved in any civil emergency activity, and this is updated on a regular basis.</p> <p>Contract conditions are included in relevant contracts. The terms of these conditions will vary depending on the nature of the contract, but will cover compliance with GDPR, security of personal information and general cyber security. Where contracts are awarded via a framework the necessary conditions will be imposed by the contracting agency for the framework.</p> <p>The council has anti virus software installed which is regularly updated. All critical data is backed up and located offsite. Software update processes exist that include the installation of patches. Security awareness training is provided to all employees. The council has responded swiftly and appropriately to the increased risk posed by increased reliance on ICT and the network. A number of changes have been made that has helped to mitigate the increased risk. This has included the procurement and implementation of a data centre refresh project. Throughout the period the Council has stayed connected and resilient with many services being delivered remotely. The situation is being monitored on an ongoing basis.</p>
Actions to be established	<p>Ongoing work on resilience and business continuity will help mitigate the risks but keeping the Council services running effectively becomes more challenging.</p> <p>A review will be completed in relation to our emergency planning arrangements to ensure paperwork training and information is up to date and accessible be the necessary staff.</p>
Risk Owner	CMB

Wellbeing Objective	All Well-Being Objectives
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Risk Score

	Likelihood	Impact	Total	Previous Score	Direction of travel since previous report
Raw Risk Score	4	5	20		
Residual Risk Score	4	4	16	16	↔

Identified Risk	The council is unable to attract, develop or retain a workforce with the necessary skills to meet the demands placed upon the authority and its services
Risk Number	COR-2019 - 04
Impact of Risk	<p>If there is a reduction in the number of suitably skilled and experienced staff, then there will not be the expertise in the workforce to deliver services and protect the interests of the council. This could lead to the wellbeing of citizens suffering, a reduction in service quality, a delay in service provision and a loss of morale amongst the remaining staff if they feel unsupported and therefore seek to work elsewhere. In some service areas a reduced workforce may result in the service being unable to meet all of its statutory duties.</p> <p>There are impacts on the organisation's ability to deliver its objectives and continued frustration among the public and elected members about the pace of some responses and action.</p>
Addressing the risk	<p>There remain recruitment difficulties in key areas of the organisation. This is being seen at a regional and national level and therefore is not unique to BCBC. Measures have been implemented to seek to mitigate and treat the risks including the use of the market supplement policy and further development of international recruitment. Use of agency staff continues to be high in certain areas and direct work is being undertaken to improve this position.</p> <p>Additional HR support has been provided for those areas where particular issues have been identified.</p> <p>The Health and Wellbeing service is positively promoted to staff via the website and via the staff newsletters and managers briefing.</p>
Actions to be established	<p>There is a need to continue to seek alternative approaches to recruit to service areas, acknowledging that one size does not fit all. The benefits of working for the Council will continue to be promoted alongside different methods of attracting staff.</p> <p>Action plans are in place and being developed to address challenges in the Social Services and Wellbeing Directorate</p> <p>Additional capacity at a senior level has been approved to support workforce planning and a budget pressure has been included in the draft budget estimates for 2026/27 to support and enhance organisation development</p>
Risk Owner	CMB
Wellbeing Objective	All Wellbeing Objectives

Risk Score

	Likelihood	Impact	Total	Direction of travel since previous report
Raw Risk Score	5	5	25	
Residual Risk Score	4	5	20	↔

Identified Risk	Important council services are compromised due to the failure of a key supplier
Risk Number	COR-2019-05
Impact of Risk	If the suppliers of council services are not resilient there is a risk that they may fail to deliver those services leading to disruption for citizens and the Council, which will be impacted as it seeks to restore provision and suffers a loss of reputation. The impact of supplier failure will include contract failure, cost increase, contractors unwilling to carry out work at framework prices or failure to meet grant conditions. This will cover service areas such as Home to School Transport, residential care and construction where there are increasing numbers of cases of market failure, companies falling into administration and increased costs being demanded to provide services or contracts will be handed back, which are difficult to mitigate as often there are very limited options to provide services, some of which are statutory.
Addressing the risk	The council's strongest defence against this is through its procurement strategy and procurement processes. When tendering for services the Council requires contingency arrangements to be in place to allow for the eventuality of supplier failure (for example in the case of refuse and recycling collection contracts). The council also seeks to shape the market where possible to avoid over reliance on single suppliers (for example in social care). Where appropriate contract conditions are included to ensure the contractor has the appropriate level of security required for the service they provide. This will differ depending on the nature of the service and the legal requirements applicable. Services are also doing more work with providers to ensure an early dialogue when services are under pressure to work towards an agreed outcome.
Actions to be established	Social Services have quarterly forum meetings with providers where risks, issues and pressures are identified. There are regular contract monitoring visits to monitor performance and quality in social care and housing services.
Risk Owner	CMB
Wellbeing Objective	All Wellbeing Objectives

Risk Score

	Likelihood	Impact	Total	Previous Score	Direction of travel since previous report
Raw Risk Score	5	4	20		
Residual Risk Score	4	4	16		↔,

Identified Risk	Invigorating the economy and economic recovery following the cost of living crisis, and local issues such as the closure of businesses in the area
Risk Number	COM - 2020 - 01
Impact of Risk	The ongoing cost of living crisis and political and market / financial uncertainty is impacting both individuals and local businesses. There has been increased demand for financial support with increased applications for Council Tax reduction, reduced payment of Council Tax and business rates and a corresponding increase for other relevant Council advice and support services. May local businesses are particularly impacted by the huge inflationary increases in recent years particularly in energy costs meaning it is inevitable that there will be increased fragility in this sector.
Addressing the risk	The Council is seeking to support local businesses and individuals by signposting them to appropriate financial support, skills training and support services, and progressing schemes to develop opportunities to set up and establish new business. The Council continues to act on behalf of Welsh Government through the administration of small rates relief.
Actions to be established	Support the aims set out by the local economic recovery taskforce and identify and implement the recommended actions through the development of a new Economic Strategy. Liaise closely with colleagues in the Cardiff Capital Region and Welsh Government to identify and target opportunities for investment to add to investment provided by BCBC to stimulate and invigorate the economy. Seek to signpost opportunities for training, support and new jobs by targeting the work of the Council's Employability teams. Administer and target financial grant schemes and provide support to local businesses to adapt to new circumstances. Progress existing economic development schemes to provide more opportunities for business 'start up' by developing enterprise hubs throughout the County Borough.
Risk Owner	CMB / Economic Recovery Panel
Wellbeing Objective	All Wellbeing Objectives

Risk Score

	Likelihood	Impact	Total	Previous Score	Direction of travel since previous report
Raw Risk Score	5	5	20		
Residual Risk Score	4	4	16	20	↓

Identified Risk	Significant service pressures in the health and social care sectors could impact on the ability of services to support vulnerable individuals
Risk Number	SS- 2023- 01
Impact of Risk	The health and social care system is not able to meet the health and care needs of people in a timely way resulting in harm and excess deaths. The immediate risk is that there is not sufficient capacity in community health and social care services to prevent hospital admissions and support timely discharge from hospital.
Addressing the risk	There are very regular meetings at senior levels across Health and the Local Authority to understand the current position and to agree the joint actions required to try to address the issues
Actions to be established	The Cwm Taf Morgannwg health and social care partners have developed a range of immediate, short, medium and long term actions to enhance community capacity and review pathways of care. The most immediate actions are the enhancement of community beds through additional care home capacity and the implementation of Discharge to Recover and Assess pathways of care. There are timescales attached to the actions agreed. There is work ongoing to address the capacity issues in care and support at home services. The system has experienced significant pressures so despite the actions the residual risk remains at a very high level and the service continues to evaluate whether immediate actions have impacted.
Risk Owner	CMB
Wellbeing Objective	All wellbeing objectives

Risk Score

	Likelihood	Impact	Total	Previous Score	Direction of travel
Raw Risk Score	5	5	25		
Residual Risk Score	5	5	25	25	↔

Identified Risk	There is an increase in the financial fragility of schools in the Borough
Risk Number	EDFS - 2024 - 01
Impact of Risk	Whilst the council seeks to mitigate the impact of the overall financial positions for schools, financial planning has included the need to reduce the level of financial support previously given to schools. The consequences of this include schools having to use their balances to fund activity with increased risk of schools going into deficit. It is a requirement that schools address a deficit within 3 years, 5 in exceptional circumstances. This will be more difficult as funding to schools reduces.
Addressing the risk	<p>School governors are responsible for monitoring and reporting school finance positions. Training is made available to support this requirement.</p> <p>There are structures in place to escalate issues to senior officers and Members.</p> <p>There is a Schools Budget Forum in place that is a consultative body in relation to the schools funding formula and overall finance issues for schools.</p> <p>Schools are supported with the development and monitoring of individual school budgets by the central finance team</p>
Actions to be established	Work is being done with schools to understand the impact on any budget reductions on individual schools. Work is being undertaken in the service to review the impact on the schools deficits
Risk Owner	CMB
Wellbeing Objective	All wellbeing objectives

Risk Score

	Likelihood	Impact	Total	Previous Score	Direction of travel
Raw Risk Score	5	5	25		
Residual Risk Score	5	5	25		↔

Identified Risk	There is a threat to business continuity if the Council is unable to procure and implement major ICT systems which support critical services such as a replacement system for Care Director (WCCIS) and the Capita One system for education.
Risk Number	COR -2024-01
Impact of Risk	<p>In social care the failure to implement a new system will result in the Council having to rely on an unsupported database or a complex interim solution. Operating social care case management and safeguarding services without a functional system is not a safe or viable option. Without a system, the Council cannot fulfil its statutory safeguarding obligations and there is a risk to life of children and adults at risk of failing to do so. Failure to implement a new system increases risk to data security, regulatory compliance, system performance and functionality and workforce retention and recruitment. Without a fully supported case management system in place staff will lose core functionality such as the ease and speed at which current data and information is interrogated and monitored. Effective use of data and information sharing has been a learning theme in many child and adult practice reviews. The financial risks to the local authority from the system change are also significant. There is currently no budget identified to support the resource implications of changing system.</p> <p>Within education, the Capita One system will provide a single comprehensive record for each child which supports the Authority to manage education efficiently by connecting data securely resulting in more informed decisions and early intervention. Ongoing work is required to fully integrate this system with the Council's core ICT infrastructure.</p>
Addressing the risk	<p>The Council is working with:</p> <ul style="list-style-type: none"> • ADSS Cymru, WLGA and national programme to progress national approach to contingency planning, data migration and sourcing resources from Welsh Government via a clear business case • the Cwm Taf Morgannwg Region Councils and the Vale of Glamorgan have formed a regional consortium to manage evaluation and implementation of a new supplier. • the WCCIS Regional Team provide some capacity to support system change. • BCBC have formed a cross directorate group to provide governance within the Council. • Education is working with schools and the ICT Service to implement the system
Actions to be established	<p>Welsh Government to confirm ongoing funding allocation for Councils to support the Connecting Care Project.</p> <p>Contingency plan to be confirmed.</p>

Risk Owner	CMB
Wellbeing Objective	All wellbeing objectives

Risk Score

	Likelihood	Impact	Total	Direction of travel
Raw Risk Score	5	5	25	
Residual Risk Score	4	5	20	↓

Risk Scores
1-9 - Green - Low
10-12 - Amber - Medium
15-25 - Red - High
Risk ID number follows the sequence
Directorate - year identified - risk number
Directorate codes mentioned above are:
SS - Social Service
COR - Corporate
COM - Communities
CEX - Chief Executives
EDFS - Education and Family Services