

## Agenda Item 5(b)

**STATUS PUBLIC**

<b>Portfolio Member/Director/Head of Service</b> Councillor Fraser Reynolds/Elizabeth Hall	<b>Portfolio</b> Leader
<b>Subject</b> Transition Plan	<b>Date</b> 19 March 2008
	<b>Forward Plan</b> Yes
<b>Contact Officer</b> Elizabeth Hall, ext 8595	<b>Previous Minutes</b>
<b>Purpose of Report</b>  Cabinet is recommended to approve the Transition Plan (Appendix A). This is an overarching plan for this Council during the transition period and, as such, sets out how services and projects will be facilitated, delivered and resourced.	
<b>Executive Summary</b>  On 1 December 2008, the Department of Communities and Local Government confirmed its decision to establish a unitary authority in County Durham from 1 April 2009. This decision requires a major change programme involving Durham County Council and all Durham District Councils. This Council has prepared a Transition Plan to drive the Council's activities until April 2009.  This Plan outlines for the benefit of Members, employees and partners, the City Council's arrangements to develop with partners a new unitary authority for County Durham up to April 2009 and to manage effectively the transition period. It sets out the Council's priorities for service improvement, investment and savings during this period and the key capital projects to be progressed. Issues that require the consideration and approval of the Implementation Executive are highlighted. It also identifies key issues which the City of Durham had planned to address in the next few years, paying particular attention to unavoidable issues and issues the new unitary authority will need to address in the first years of its existence.  This Plan draws on and updates the Council's strategies and plans. As such, it represents the Council's contribution to the City of Durham Council's County Strategy and the strategic risk for County Durham and has at its heart sound needs assessment and a good understanding of local communities shared by all partners within the City and its surrounding villages.	
<b>Portfolio Member Recommendations or items Requiring a Cabinet Decision</b>  Cabinet is recommended to approve the Transition Plan	
<b>Reasons for Recommendations</b>  To enable the Council to focus on its key priorities, maintain 'business as usual' and play a full part in the establishment of the unitary authority.	

<p><b>Alternative Options to be Considered</b></p> <p>Not to approve the Transition Plan</p>
<p><b>Consultation</b></p> <p>The Council has consulted widely with its stakeholders in preparing its corporate and service strategies and plans. This Plan therefore incorporates a good understanding of local communities.</p>
<p><b>Financial, Legal and Risk Implications</b></p> <p>The financial and legal implications are set out in the Transition Plan. The Council has undertaken a detailed risk assessment and prepared a Transition Plan Risk Register (Appendix B).</p>
<p><b>Resource Implications</b></p> <p>The resource implications are set out in the Transition Plan. The Transition Plan sets out the Council's plans to manage its resources as effectively as possible until April 2009.</p>
<p><b>Timescale for Action</b></p> <p>The Transition Plan will be implemented immediately</p>
<p><b>Associated Policies and Plans</b></p> <ul style="list-style-type: none"> <li>◆ Corporate Performance Plan</li> <li>◆ Medium Term Financial Strategy</li> <li>◆ Asset Management Plan</li> <li>◆ Capital Strategy</li> <li>◆ 2007/08 and 2008/09 Revenue and Capital Estimates</li> <li>◆ Procurement Strategy</li> <li>◆ Strategic Risk Register</li> </ul>
<p><b>Supporting Documents</b></p> <ul style="list-style-type: none"> <li>◆ Transition Plan (Appendix A)</li> <li>◆ Transition Plan Risk Register (Appendix B)</li> </ul>
<p><b>Background Papers</b></p> <ul style="list-style-type: none"> <li>◆ All corporate strategies</li> <li>◆ All service strategies and business plans</li> <li>◆ Agenda and reports of Performance Clinics</li> <li>◆ Agenda and reports of Cabinet</li> </ul>



# TRANSITION PLAN

**WORKING TOWARDS  
A COUNTY DURHAM COUNCIL  
JANUARY 2008 - APRIL 2009**



*Quality Public Services, Flourishing Communities, Capital City*



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# INTRODUCTION

## Background

- 1 In the 2006 Local Government White Paper *Strong and Prosperous Communities*, the Secretary of State for the Department Communities and Local Government (DCLG) invited all councils (except London Boroughs and Metropolitan Districts) to submit proposals to create unitary authorities by April 2009. In addition, Councils in shire areas were invited to submit proposals against the same timetable to become pathfinders for enhanced two-tier working. The White Paper envisions a new relationship between central and local government and local government and communities and accordingly set out a number of tests that proposals must meet in order to be approved.
- 2 In response to the White Paper, Durham County Council submitted a bid for a single unitary authority for County Durham and the Durham District Councils a longer-term 'pathfinder to unitary' bid by the 25 January 2007 deadline. DCLG shortlisted 16 unitary bids for consultation on 27 March, including Durham County Council's bid. The consultation period ended on 22 June and following consideration of responses submitted, DCLG announced on 25 July that several bids, including the County Council's, were to proceed to 2009 implementation.
- 3 Following the enactment of the Local Government (Public Involvement in Health) Bill on 30 October 2007 this decision was confirmed on 5 December 2007. The implementation orders are expected in February 2008, with an election to the new Council in May 2008.

## Purpose of the Document

- 4 The decision to implement unitary local government within County Durham necessitates a major change programme involving Durham County Council and all Durham District Councils. An emerging governance structure for the County Durham Council change programme has been provisionally endorsed by all Councils.
- 5 The forthcoming changes due to Local Government Review will require radical changes to existing corporate planning arrangements in order to facilitate a successful transition to the new authority.
- 6 This plan outlines for the benefit of members, employees and partners the City Council's arrangements to develop with partners a new unitary authority for County Durham up to April 2009 and to manage effectively the transition period.
- 7 It sets out the City Council's key priorities for service improvement, investment and savings during this period and the key capital projects to be progressed. Issues that require the consideration and approval of the Implementation Executive are highlighted. It also identifies key issues which the City of Durham had planned to address in the next few years, paying particular attention to unavoidable issues and issues the new unitary authority will need to address in the first years of its existence.

- 8 It is intended that the City Council's Cabinet, Management Team (the Programme Board) and the Project Officers Group, together with the Implementation Team for the new authority, will use this plan to monitor and manage the City Council's progress during transition.

## Objectives

- 9 The objectives of this Transition Plan, are to: -
- State the City Council's aims, objectives and priorities during the transition period
  - Set out revised corporate activity and funding arrangements for the transition period
  - Clarify corporate transition programme management arrangements
  - State the City Council's vision for the new authority for County Durham
  - Set out the values and principles by which the City Council will operate during transition
  - Establish terms of engagement with the 'County Durham Council' Change Programme
  - Identify unavoidable issues which the unitary authority must address in the short term

## Scope

- 10 This plan is the overarching plan for City of Durham Council during the transition period, and as such sets out how services and projects will be facilitated, delivered and resourced.
- 11 It also establishes terms of engagement with the 'County Durham Council Change Programme' and specifies the roles and responsibilities within this programme for relevant members and officers of the City Council.

## Relationship to other Plans

- 12 The Transition Plan incorporates and updates all of the Council's strategies and plans. These include the Corporate Performance Plan, the Capital Strategy, Asset Management Plan, Procurement Strategy, Sustainable Development Policy, Climate Change Strategy and Organisational Development/Welfare Plan, as well as other corporate strategies and plans, all service business plans and draws on the Council's strategic and operational risk registers. As such, it represents the Council's contribution to the City of Durham Council's Community Strategy and the Strategic Vision for County Durham and has at its heart sound needs assessment and a good understanding of local communities shared by all partners within the City and its surrounding villages.
- 13 It represents the Council's contribution to the wider change programme for the new unitary authority and will be integral to the success of this programme.



# CONTEXT

## The Durham District

- 14 The City of Durham district is one of seven districts which currently make up County Durham. In addition to the city itself, the district, which covers an area of 72 square miles, includes 26 rural and semi-rural villages. Around 63 square miles of the district is classed as green space.
- 15 The city itself is a nationally and internationally prominent city for a range of reasons. It is home to one of the country's top universities and an important location for the Church of England. The city has also strengthened its reputation as a major tourist destination by successfully combining the stimulating visual and architectural experiences of the area with an exciting and modern scene and this is likely to improve in the coming years with the exciting developments contained within the recently agreed 2020 Vision for Durham City Centre. Last year, the city attracted over 3.7 million visitors contributing an income of £134 million to the local economy and supporting over 2500 jobs.
- 16 The success of the City has had a marked effect on the district but has also disguised pockets of deprivation. Nine wards in the district fall within the top 20 – 30% most deprived wards nationally.
- 17 Approximately 92,000 people currently live in Durham, however, this increases significantly between September and May when around 15,000 higher education students attend the university. This represents an increase in the population of approximately 11 % and also means that the City Council's policies and strategies must reflect this additional requirement of services. Overall, the population of the district has been in decline in recent years and is expected to fall by 0.5% by 2011. In common with most areas though the age profile is expected to change with a growth in the aged population by 2.3%
- 18 The population mix has changed over the past decade, with more elderly people deciding to settle in the city. In 2001, 8.2% of residents were aged 75 or over, compared with 7.8% in 1996. The number of older residents is projected to rise by 8.1% up to 2011.
- 19 The proportion of residents in economically active age-groups is also projected to rise from 51% (2001 census) to 61% of the local population by 2011 . Durham's ethnic population is still relatively small at nearly 2.3%.
- 20 Unemployment levels in the district are generally well below the regional and national average. In 2001, unemployment in the district was 2.81% compared with 4.53% in the rest of the North East and 3.35% nationally. However, of those people who were unemployed, 30.83% were officially classed as 'long term unemployed'. The percentage of the population who are economically active is increasing steadily and at June 2006 stood at 79.3%, higher than both the County and regional average.

- 21 The percentage of the population with qualifications is better than for the County and better than regional and national averages. Literacy and numeracy levels in the district are higher than the County average, although these remain fractionally lower than the national average. The achievement of five or more passes at GCSE Grades A – C has increased over the last four years and at 65.6% is currently above the County district, regional and national average. The percentage of the working age population qualified to NVQ Level 1 (77.7%) is higher than the County average and equals that of the region.
- 22 Life expectancy at birth for children born in Durham between 2002 and 2004 is higher than the County and regional average. This, together with rapid economic growth and a decrease in the average number of people per household is placing pressure on housing. In the 2001 Census, Durham's residents considered their health to be Good - 66.96%, Fairly Good - 22.47% and Not Good - 10.57%. These results were better than the regional average but slightly worse than the national average.
- 23 Durham has always been a safe place to live, work and visit. The agencies that make up the Chester-le-Street and City of Durham Community Safety Partnership have consistently worked to reduce crime with the result that total offences recorded in the district over the past year at 15.7 per 1000 of the population were well below those at a county (22.3), regional (25.23) and national level (25.78). The fear of crime (as measured by survey) in the district is significantly lower than that for the rest of the County and the national average.
- 24 At present, the City of Durham is subject to a two-tier local government with Durham County Council responsible for the strategic functions and services such as education, social care and transport and City of Durham Council providing local services such as economic and community development, planning, benefits, street cleaning, parks, housing, leisure, culture and tourism. In addition, some functions are shared between the County and City Councils and others are delivered across the region with multi-agency involvement. Whereas the city centre does not possess a town council, many villages have parish councils, with 13 parish councils currently established.

## City of Durham Council

### Organisation

- 25 City of Durham Council is a shire district council, commissioning, facilitating or providing over 200 services to the public. It comprises 50 councillors democratically elected and accountable to residents of its 20 wards. In May 2002, following a consultation exercise and district-wide referendum, the City Council adopted a political and management structure based on the Leader/Council model. Following elections in May 2007, the City Council remains under the control of the Liberal Democrats.
- 26 Democracy in this City has a long and proud history. The City Council therefore has many historic and civic traditions. These include the office of Mayor, the appointment of an armed Bodyguard, the holding of a charter and ceremonial bearings.

- 27 For further information on the City Council's structure and governance, please see the City Council's Constitution at [www.durhamcity.gov.uk](http://www.durhamcity.gov.uk).
- 28 The City was rated as Fair under the Audit Commission's CPA regime in 2004. Since then, the City Council has strengthened its corporate strategies, frameworks and processes and has achieved a Score of 3 in all categories in the Audit Commission's Use of Resources Assessment in 2006/07. The City Council is confident that it would be able to achieve Excellent following a series of positive corporate governance inspections, strong improvement to service performance and investment in its communities, not least community and civic facilities.

### **Corporate Planning Process**

- 29 The City Council has a well established corporate planning process. This Council has integrated its key three aims of Flourishing Communities, Quality Public Services and Capital City with the aims of the City's Local Strategic Partnership, those of narrowing the gaps, equal access and real inclusion, building skills, knowledge and aspirations, and developing the wellbeing of the district. From the City's threefold vision and these four strategic themes, ten strategic priorities have been identified. These are:
- Safer and Stronger Communities
  - Cleaner and Greener Communities
  - Learning Communities
  - Healthy and Active Communities
  - Quality Services
  - Customer Focused Services
  - Accessible Services
  - Historic City
  - Vibrant City
  - Thriving City
- 30 Appendix 1 sets out how the Transition Plan relates to existing plans and strategy.

### **Corporate Values**

- 31 The City Council has adopted a series of corporate values. These values describe our fundamental beliefs and underpin our approach to service delivery:

#### ***Quality Information & Data***

We will promote a culture of evidence based informed decision making based on best quality data and providing quality information to the public, partners and stakeholders when required

#### ***Integrity and Openness***

We will maintain the highest standards of conduct and ensure that we are transparent in our decision making.

**Ambition**

Striving to be the best

**Partnership Working**

Working in partnership with other organisations to achieve common aims and goals

**Equality & Diversity**

We will value and respect the diversity within our workforce, services and community, promote equality of opportunity and treat people fairly and with respect.

**Preserving the Natural Environment**

We will ensure that corporate activities take account of environmental issues and concerns.

**Customer Care**

We will ensure that services remain customer focused and that we understand, respect and respond to the individual rights, needs and responsibilities of our customers.

**Communication and Consultation**

We will ensure that we communicate and consult effectively with all of our stakeholders whenever and wherever relevant

**Effective People Management**

We will ensure that our human resource is managed effectively and fairly.

**Effective Financial Management**

We will ensure that our finances are managed effectively and that we seek to achieve value for money in all of our services.

- 32 Our Vision, Values and Strategic Priorities play an integral role in the corporate planning process and provide a high level of focus for organisational development.

## The City Council's Priorities for the New Council

### Employees

- 33 Employees must be treated fairly and well through the transition process, therefore the City Council welcomes the Government's commitment to apply TUPE-like terms to the transfer to the new Authority but would like further clarify from government so that staff who transfer do so on terms no less favourable than those they enjoyed immediately before the transfer.
- 34 The City Council is committed to playing an intrinsic role in the People and Organisation workstreams with the intention of seeking to establish a common and cohesive protocol towards the management of staff pre and post transfer which will:

- not cause unnecessary redundancy or recruitment to take place
  - seek to maximise the transfer and retention of employees and
  - ensure a process that is fair and transparent, thereby creating a climate of trust and openness
  - ensure equality of treatment and meaningful engagement with staff and unions
  - develop and maintain effective channels of communication to ensure employees receive timely and consistent messages
  - encourage employees to participate in the development of workstreams
- 35 The City Council will advocate that the Implementation Executive consults on all aspects of the staff transfer and the human resource implications of the new Authority with the appropriate local staff representatives including consulting with Trade Unions at the earliest possible stage on facilitation arrangements in the new Authority. The City Council will also actively promote a staff communications strategy and will employ a range of communications methods to ensure all employees hear the same key messages, at the same time.
- 36 The Organisational Development section of this plan sets out how the City Council will support employee development during the transition process.

## **Organisational Design**

- 37 The introduction of a single Council for the County represents a move away from traditional forms of local government and introduces a new concept, that of subregional government. This is a major change in the way that democratically accountable public services are organised and presents an opportunity for positive change if innovation in organisational design is embraced and service provision devolved in line with the aspirations of the Local Government and Public Involvement In Health Act 2007.
- 38 The City Council believes that the two-tier local government system has many positive benefits and has served rural Counties well. The City Council welcomes the new unitary authority's commitment outlined in the bid to ensure that the very positive aspects of the two tier system, such as the autonomous local decision making and locality based perspective of district councils, are maintained and combined with the economies of scale and strategic resource allocation that can be achieved through larger structures.
- 39 The City Council is determined to ensure that it maintains and, if possible, improves the service it offers to all those who live, work and visit the City of Durham and its villages. It is adamant that it will continue to deliver services of the highest quality which meet the needs, aspirations and expectations of its residents in the transition year and through possible engagement beyond 2009. In so doing, the City Council's priorities will be to secure business as usual whilst playing a full part in the establishment of a new unitary authority.
- 40 Working with its partners, the City Council is committed to improving the lives of all its citizens, to secure excellent public services and facilities, creating a bright future for this City and its villages, delivering best value in all it does and so limiting the financial costs for its residents, customers, visitors and businesses.

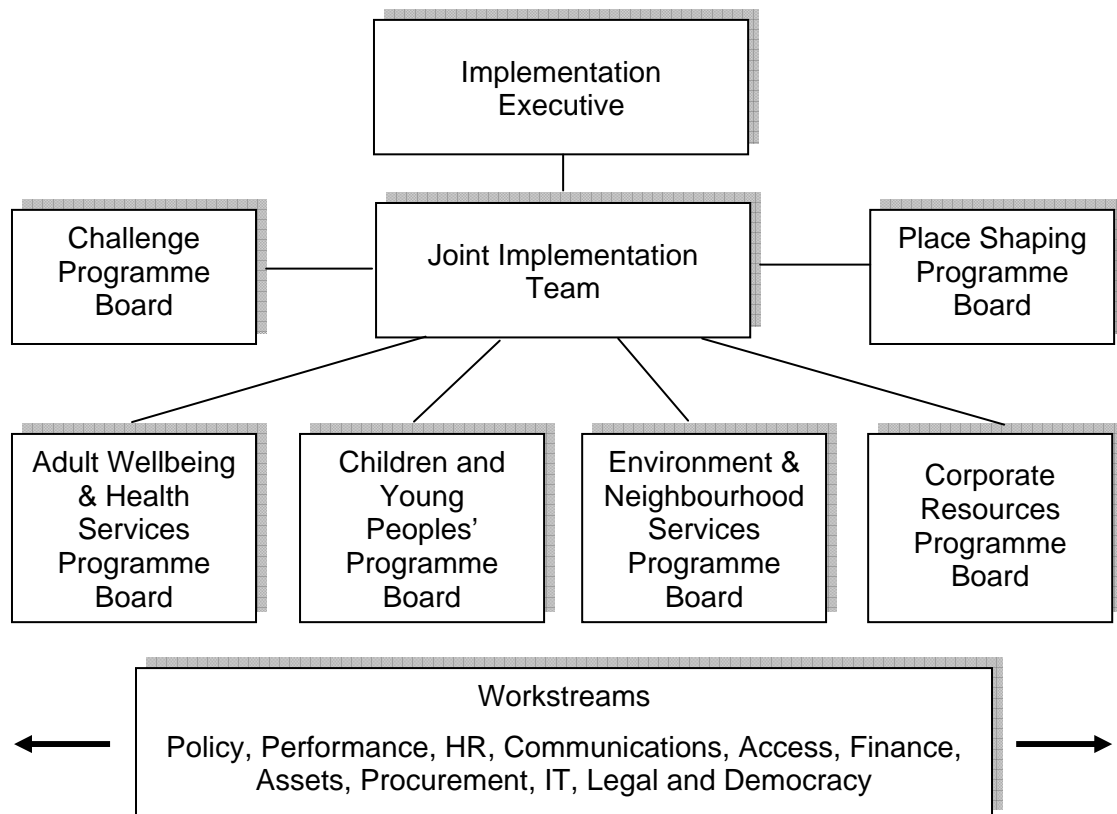
- 41 The City Council believes that the successful establishment of the unitary authority provides the opportunity to create a better future for all communities in County Durham, through the pursuit and achievement of excellence and innovation throughout the County. This Council, its members and officers will be only too happy to work towards this vision.
- 42 This Council, its Members and Officers welcome the opportunity to contribute to this change management process. We will grasp it firmly and play a full part in shaping the new authority whilst maintaining and improving the quality of our services. In this way, we will work with other authorities to shape the future for this City and the County.

## The County Durham Council Programme

- 43 A 'County Durham Council' change programme structure has been developed by the Durham County and District Councils' Senior Officer Group and provisionally endorsed by all authorities to commence once legislative orders have been placed.
- 44 The vision of the programme is to create "a new unitary authority committed to developing a prosperous, safe and sustainable future for County Durham, listening to, and working with, local people, leading and shaping our communities and working in partnership to ensure quality, cost-effective services".

### Programme Office

- 45 The following governance model for the programme has been agreed.



- 46 The programme will be managed through an Implementation Executive of Elected Members and an Implementation Team (IT) comprising the Chief Executive and Directors of the County Council, the Chief Executives of the Durham District Councils and the Programme Director.
- 47 The day-to-day management of the programme will be the responsibility of a Programme Director, who will be supported by a Programme Manager and a small programme office. The Programme Director will be independent of the authorities involved.
- 48 Six Programme Boards have been established. These are, Challenge, Place Shaping, Adult Wellbeing & Health, Children and Young People, Environment & Neighbourhood Services and Corporate Services. The cross cutting projects that will create the new Council will be developed under eight workstreams, which will each be managed by a Workstream Lead. The Workstream Leads will be drawn from the County and District Councils, as appropriate.

## **The City Council's Commitment to the Change Programme**

- 49 The City Council is committed to the development of the new authority and at the same time the improvement of its high quality services and the achievement of its existing commitments and priorities.
- 50 The City Council will be represented on the Implementation Executive and the Implementation Team and offer the change programme full support and cooperation at all times. It will comply with all protocols to be agreed in respect of the change programme. It will release appropriate resources to support the programme workstreams.
- 51 Project and service design and investment/disinvestment decisions will be developed alongside and complement the vision and objectives of the County Durham Council change programme and the vision for the new authority. In accordance with the agreed 'Business as Usual' protocol, all appropriate key decisions of the City Council will be submitted to the Implementation Executive, Implementation Team, and where appropriate, the Audit Commission and DCLG, for comment.
- 52 The City Council commits to only unavoidable growth in its overall revenue budget during the transition period; prudent use of its reserves and capital expenditure in line with existing policy commitments. Expenditure, contracting and disposals will be in accordance with the provisions of section 24 of the Local Government and Public Involvement in Health Act 2007.
- 53 The Council will continue to follow as far as practicable the principles laid out in the existing Medium Term Financial Plan or in line with any revisions outlined in the financial plan element of this document. Flexible approaches to some savings will be required to address capacity and capability issues associated with the delivery of this plan. The City Council has established a Business Continuity/Service Initiatives (Transition) Fund in its 2008/09 revenue budgets

financed from the use of balances. This will enable the City Council to secure business as usual whilst contributing towards the establishment of a successful unitary authority.

- 54 It will be necessary to re-examine existing staffing levels and structures in relevant sections and to consider the appropriateness of existing officer delegations in order to ensure that:
- Resources are aligned to the tasks of managing the transition and participating in the development of a new County Durham Council
  - Staffing levels and structures can be amended relatively quickly as circumstances change in the lead-up to April 2009
  - Business as usual drives decisions and work
- 55 Appropriate workforce analyses will be undertaken when details of this Council's transition and the development of the new council become clearer and the constitutional implications of existing establishment and staffing decision-making processes need to be examined to determine if they can be made more flexible and less bureaucratic whilst maintaining the highest standards of probity.
- 56 In order to ensure that all affected employees are supported throughout this change process, employees' development needs are reassessed and incorporated into the City Council's transition plan.
- 57 The City Council has developed internal programme management arrangements to deliver this plan that are complementary to those of the County Durham Council change programme. These are set out below.

## Internal Arrangements

- 58 The City Council is adamant that service standards must be maintained and if possible improved, that priority commitments (e.g. those outlined in the Corporate Plan and capital programmes) are honoured where practicable, and that employees are fully supported and respected through the change process, so that the City of Durham leaves an enduring and respected legacy.
- 59 The City Council has several priority objectives for its communities. This will continue to be within the constraints imposed by the Local Government and Public Involvement in Health Act 2007 and those locally determined. These are outlined in subsequent sections.
- 60 The City Council will ensure that it plays a full part in the development of the new authority so that the needs and expectations of local communities continue to be met, the City Council's good practice and learning is fully utilised, the profile and skills of employees are promoted and their interests protected.



## **Transition Plan**

- 61 This plan sets out activities that will ensure that both of these responsibilities are executed effectively. It will be updated on a monthly basis and be supported by an action plan for the use of the Project Officers Group. It is proposed that the City Council delivers the Transition Plan in line with Managing Strategic Programmes (MSP) and PRINCE2 principles, with a programme structure that plays into countywide arrangements.

## **Programme Management Arrangements**

- 62 The Transition Programme will be coordinated and managed on a day to day basis by the Executive Director and the Director of Strategic Services will provide programme and projects support. These officers, together with key Accountancy and HR supports, will comprise the programme management team.
- 63 Management Team will act as the Programme Board and will agree leads and project officers to develop internal arrangements linked to the County Durham Council Change Programme workstreams.
- 64 Leads and project officers will develop teams and internal arrangements as appropriate on a time-limited basis, within the framework established. A Project Officers Group will be created to ensure work is coordinated effectively.
- 65 Programme updates will be a standing item on Management Team and Cabinet agendas and will be reported to the Scrutiny Committee.

## **Rationalisation of partnerships, policy development and service improvement arrangements**

- 66 It is clear that the implementation of the Transition Plan within the allotted timescale will be challenging. This work will involve some element of rationalisation, as some initiatives, programmes and projects will no longer be relevant or deliverable within the transition period.
- 67 The City Council's partnerships are currently being reviewed in line with corporate arrangements, and are being revised where necessary. The City Council is in the process of establishing a comprehensive electronic register of its partnerships, including key supporting documents.
- 68 Policy development initiatives in particular will be curtailed. The City Council and its LSP is working towards the development of the County Sustainable Community Strategy and LAA. Any necessary service development will complement countywide initiatives.

- 69 The City Council has already discontinued its member led Strategic Working Groups and put alternative arrangements in place. Currently only an officer led Risk Management Working Group meets regularly. Following the establishment of transition and implementation plans, the City Council will create the necessary officer led working groups to deliver these.
- 70 The City Council's Officer Management Team will continue to meet weekly. This includes the Executive Director, all Directors and Heads of Service and will be supplemented by workstream leads and members as appropriate. This will support the transition programme whilst securing business as usual.
- 71 Cabinet and Management Team will continue to receive performance and budgetary updates via a quarterly, composite, exception report. Quarterly reports will also be made available to Audit Overview and Scrutiny Committee.
- 72 This will lead to a review of the workload of the City Council's Audit Overview and Scrutiny Committees. The proposed quarterly performance updates and progress updates on the Transition Plan will add to Scrutiny workload, but this may be offset by a reduction in Scrutiny Reviews, which will be focused largely upon transition issues. This issue will be discussed with members of the Audit Overview and Scrutiny Committees and via the countywide change programme.

### **Business as Usual**

- 73 The City Council is adamant that business as usual will continue. Service standards must be maintained and if possible improved. The City Council will do so whilst facing increased employee turnover, a potential moratorium on recruitment, a possible drop in morale and the ongoing development of new delivery arrangements. The City Council, working with County Durham Councils, has developed a protocol (Appendix 2) on the recruitment of staff during the transition phase. Performance will be closely monitored for early warning signs of deterioration, and exception reports presented to Management Team, Performance Clinic and Cabinet as outlined above. The Business Continuity Plan is currently being reviewed to determine whether it is fit-for-purpose.

# KEY PRIORITIES AND ACTIVITY TO APRIL 2009

## Corporate Objectives and Associated Behaviour

74 The Durham District Community Strategy 2005–10 outlines the outcomes the community expects statutory agencies and local organisations to achieve in the district over the life of the strategy. Our corporate aims and priorities match the strategic themes of the Community Strategy and give services clear direction in the achievement of those aims.

75 The Community Plan's ten-year vision, developed through the work of the Local Strategic Partnership and in consultation with local people, is to: -

"Make the whole of Durham district a better place to live, work, visit and invest; where all residents are healthy and responsible citizens, and are actively involved in improving the area. We want to provide quality public services for all people in the district and narrow the gap between disadvantaged communities and those more fortunate."

76 This is based around four key themes that link closely to the City Council's three strategic aims:

- Working in partnership with key local stakeholders to narrow the social, economic and environmental gaps between the city centre area, the surrounding villages and between villages themselves.
- Providing equal access and real inclusion in services that are of excellent quality and are appropriate to the diverse needs of local people and visitors.
- Building skills, knowledge and aspirations within our communities and businesses, enabling them to work together to establish a strong social and economic base on which we can build.
- Developing the wellbeing of the district, through tackling inequalities in health, lowering crime and perceptions of crime, investing in our communities, improving local neighbourhoods and providing social, economic and cultural prosperity

77 The City Council's corporate aims also complements the County Durham Strategic Partnership Vision, which aims to: -

***"Create a dynamic Durham by 2023 - a County with a strong economy, with a commitment to lifelong learning, with strong, healthy and safe communities and with an enhanced environment. Quite simply a place for life - a great place to live, work, visit and invest."***

78 The City Council has created and implemented a threefold vision focused on creating Flourishing Communities, delivering Quality Public Services and developing Durham as a Capital City. From this, it has developed strategic priorities, linked to the aims and objectives of the Community Plan. The City Council reviews its key priorities annually as part of its corporate planning

framework, taking into account national and regional policy, sub-regional and local strategy, quality of life statistics, service performance information, audit and inspection assessments and community views. The City Council currently sets out the following 10 strategic priorities in its Corporate Performance Plan 2007-10:

**SP1 Safer and Stronger Communities**

Working to ensure that our communities are places that are fair, tolerant and cohesive with a strong local culture and opportunities for shared community activities

**SP2 Cleaner and Greener Communities**

Working to provide places for people to live, work and visit that are cleaner and greener and more considerate of the environment

**SP3 Learning Communities**

Working with partners to ensure that all those who live and work in the Durham district have the education, skills and access to the training opportunities that will enable them to play an active part in society and contribute to the life and prosperity of the district.

**SP4 Healthy and Active Communities**

Working with partners to ensure that people are active and healthy and to ensure the well-being of those who live and work in the Durham district.

**SP5 Quality Services**

Aiming for quality and excellence in all the services for which we are responsible and working to ensure that they are well managed, effective and efficient and provide good value for money

**SP6 Customer Focused Services**

Providing services that meet the basic needs of the customers

**SP7 Accessible Services**

Providing equal access to our services by a range of means to ensure that no sector of the community is excluded

**SP8 Historic City**

Fulfilling our role as stewards of the historic environment of the City and District and working to enhance, develop, conserve and promote Durham's rich character and heritage

**SP9 Vibrant City**

Developing Durham as a vibrant city for culture, recreation and tourism and ensuring that Durham can successfully compete with other cities and is recognised as a lively and interesting place to live in and visit, offering attractions for all

**SP10 Thriving City**

Working with partners to create an environment for investment and growth to enhance and sustain the local economy

- 79 The City Council has reviewed the commitments made in the Corporate Plan, Medium Term Financial Plan, Capital Strategy, Asset Management Plan, all corporate strategies and service business plans. It has determined in the light of key objectives and resource constraints, which planned activities and projects will be progressed during the transition period. This Plan makes clear the links between the work to be undertaken during the transition period and the priorities and investment decisions previously made by the City Council.
- 80 The major activities/projects in support of the City Council's key objectives are set out below and will be supported by detailed business and service plans:

### **Safer and Stronger Communities**

- 81 The City Council will continue to work with its partners to create fair, tolerant and cohesive communities with a strong local culture. It will, through its Flourishing Communities fund, continue to pursue excellence in the delivery of small, medium and major grants on offer to local communities. The City Council will continue to support the infrastructure of those voluntary organisations in receipt of continuing revenue funding until March 2009. The City Council will seek to support Parish Councils in their development of parish plans.
- 82 The City Council will seek further funding to continue the Positive Future Scheme. It will seek to establish outdoor play facilities for children and young people. The City Council has a three year programme to upgrade its play facilities. In addition to bidding for funding from various sources, the City Council will encourage Durham Villages Regeneration Company to contribute to play facilities through the development fund held by the Company. In pursuing these options, the City Council hopes to secure facility upgrades with a value of around £3 million.
- 83 The City Council will work with its partners to improve the safety of the City of Durham at night. The Night Safe initiative focuses on the night time economy. This is a multi-agency project involving the Police, GONE, bus operators, the University and Durham County Council. The Partnership will commence its Best Bar None Scheme from March, with an Awards night in October. There will be increased environmental enforcement and more stringent licensing conditions. In this way, the agencies will adopt a more strategic approach to the management of the City at night. The City Council has currently commissioned a Cumulative Impact Survey to advise whether saturation of licensed premises has been reached and that there is therefore a need to restrict further applications. The City Council has also commissioned a Taxi Unmet Demand Survey to inform its decision on the deregulation of hackney carriage licenses. The City Council will implement the outcomes if appropriate.
- 84 The City Council will continue to improve its housing services. It has appointed a Housing Options Assistant and will complete its implementation of the Housing Management System and will continue to work on the implementation of the Choice Based Letting Scheme.
- 85 Working with other district councils, in the Homelessness Action Partnership, it has jointly implemented a Joint Protocol for 16 and 17 year olds and a

Mediation Service for 16-25 year olds. It is developing a Rent Deposit Scheme. Through the Durham Housing and Neighbourhoods Group, a Director of Policy and Programmes has been appointed. This Group has also completed a Sub-Regional Housing Strategy and commissioned a strategic Housing Market Needs Assessment. The local authorities in this group are participating in the establishment of a Regional Loans Scheme and have completed a Gypsy and Travellers Accommodation and Support Needs Assessment. The County Durham local authorities have been awarded SHIP funding, a total of £7M over 3 years. The majority of this funding will be used to deliver regeneration in identified Early Intervention Areas. Within this district, some funds will be used to support public sector loans and Disabled Facility Grants.

- 86 The City Council is working with Registered Social Landlords both to support funding applications and to develop several sites, including those at Ushaw Moor, New Brancepeth, Coxhoe and Gilesgate.

### **Cleaner and Greener Communities**

- 87 The City Council will complete its Green Space Strategy and continue to improve the quality of its green spaces across the district. The City Council will seek to achieve further Green Flag Awards for its parks and encourage the establishment of Friends Groups. The City Council will aim to achieve continued success in the Britain in Bloom National Finals. The City Council will increase its biodiversity initiatives, with the creation of hay meadows at suitable sites.
- 88 The City Council will implement, wherever practical, the proposals set out in its Climate Change Strategy, Sustainable Development Policy and its Transport Plan. It will achieve further savings in energy use in homes throughout the district and will work with Go Warm to tackle fuel poverty throughout the district. The City Council will strive to reduce consumption of electricity, gas and water in public buildings. The City Council will implement new arrangements for recycling. Working with other district councils, it has awarded a contract, which will extend the recycling scheme, to include the recycling of plastics and cardboard by all households in the district.

### **Learning Communities**

- 89 In partnership with Keepmoat plc and Haslam Homes, the City Council will continue to support the apprenticeship programme established as part of the regeneration programme for the Bowburn area funded by DVRC. Four apprentice bricklayers joined the scheme initially, with a further three bricklayers and four joiners being recruited in September 2007. A further nine trainees will be recruited for the September 2008 intake. The City Council will continue to help prepare young people for employment by providing work placement opportunities and by supporting the Future Business Magnates Competition. The City Council will continue its support for the Push Ahead Project which operates from the Learning Zone at Deerness Leisure Centre to promote lifelong learning in the workplace for our staff and their immediate families. The City Council will also provide increased training opportunities for its staff and has substantially increased the funding set aside for this purpose in the 2008/09 budgets.

## Healthy and Active Communities

- 90 The City Council aims to achieve the Gold Working for Health Award. It aims to sustain and expand the Durham and Chester-le-Street Lifestyle initiative and the Healthy Horizons Project to improve the long term health of our communities and promote physical activity. It will implement the County Durham Physical Activity Strategy and implement the local action plan agreed with the Local Strategic Partnership. It will introduce a year of exercise and sport, a programme which will raise the profile of sport and activity via in Durham to commence with the opening of the new Swimming Pool. The City Council aims to improve the provision of leisure facilities at Abbey Leisure Centre through a public/private partnership with Competition Line.

## Quality Services

- 91 The City Council will continue to support its postgraduate management development programme with Northumbria University. The City Council will consult with its staff through its Staff Viewpoint Panel. The City Council will continue regular communications with staff using Communication Matters. The City Council will continue to negotiate the implications of Job Evaluation and Single Status. The City Council will rationalise its office accommodation by April 2009.
- 92 The City Council will continue to strengthen its relationships with its partners. It will develop the Inprint partnership with Derwentside District Council and the Collaborative Procurement Partnership with other councils in County Durham. The City Council will work with Spennymoor Town Council to ensure that the Crematorium continues to operate successfully and the Crematorium Joint Committee has agreed that Spennymoor Town Council will act as lead or host authority, with the posts of Clerk and Treasurer being held by officers of the Town Council from April 2009. This is subject to the approval of Spennymoor Town Council. The City Council will develop a comprehensive and up to date electronic register of all partnerships, and will continue to evaluate as necessary all partnerships using the Partnership Toolkit.
- 93 The City Council will continue where practicable to implement its Service Improvement Programme. It will strive to achieve greater efficiencies and record these in its Efficiency Register. The City Council will provide further training for its staff in Project and Programme Management, It will complete its Business Improvement Programmes facilitated by the NECE. The City Council believes that its investment in Business Improvement and the skills and experience gained by its staff will enable it to make a positive contribution to the transition programme, both for the City and the County.
- 94 The City Council will continue to develop its systems for the management of its risks, at both operational and strategic level. It will ensure that its business continuity and emergency planning arrangements remain fit for purpose. It will strengthen its health and safety processes, integrating these with its risk systems and implement the necessary measures to support the Corporate Homicide Act.

## **Customer Focused Services**

- 95 The City Council will work with all councils in County Durham to seek ways to make it easier for people to vote and become involved in the democratic process by May 2008.

## **Accessible Services**

- 96 The City Council will continue to strengthen its Customer Services functions through the shared umbrella of Durham Connects, the development of a joint CRM system, the robust programme of projects and the ongoing work of the County Durham e-government Partnership.
- 97 The City Council will ensure that all its taxpayers, tenants and customers are able, via the Paypoint System, to make payments at local post offices and shops, through the introduction of payment cards, following the discontinuation of payment kiosks in its One Stop Shops and the door to door Rent Collection Service.
- 98 The City Council is working with all local authorities in County Durham to ensure that new statutory Travel Concession Scheme for both the elderly and disabled people is implemented successfully.

## **Historic City**

- 99 The City Council will continue to complete its City Centre Conservation Area Appraisals, work with its partners in the Durham Riverbanks Committee and the Riverbanks Gardens Project to conserve and enhance the Riverbanks, support the World Heritage Site Management Plan and the appointment of the World Heritage Site Co-ordinator by Durham University. The City Council will adopt a pragmatic approach to the development of its parks, including Wharton Park, and renovate these if the opportunity to access targeted grant regimes arise. The City Council will complete the works to improve access to the Town Hall, open the building once more to the public, appoint a manager and put in place a new programme to promote this hidden jewel to all visitors and tourists to Durham. The City Council will work with the other authorities in County Durham to safeguard the unique heritage of this City Council, including its Charter, Mayor, its Bodyguard and all civic treasures, through the establishment of Charter Trustees. The City Council will commission the bronze sculpture 'the Journey', utilising funds raised by a public campaign and funds from a developer.

## **Vibrant City**

- 100 The City Council will continue to support the development and implementation of the Durham City 2020 Vision Masterplan. Through its Events Team, it will support an enhanced Events Programme to raise the international profile of the City. A vibrant and popular programme will continue to generate success at



the Gala Theatre. The programme of in-house productions will flourish, not least with the first in-house Pantomime. A Corporate Friends and Sponsorship Scheme will be developed to support the Gala's work. The City Council will ensure the success of the Christmas Festival and enhance the Christmas Lights in the City. The Gala Stage School will continue its development work with young people. The City Council will continue to engage with County Durham Tourism Partnership to ensure that only Durham will benefit from marketing and visitor income. The City Council will continue to work with Durham City Arts as our private sector partner, delivering an arts service under a formal partnership and action plan. We will continue contributions to Art in the Public Environment and development on Arts Festivals. Tree management will continue as the City Council remains a responsible tree owner. Statutory controls will continue to be delivered for trees and landscapes.

- 101 The City Council will ensure that its new City Centre Leisure Complex is of the highest quality and delivered within budget and on time by its expected completion date of July 2008. The City Council is currently implementing arrangements for the commissioning of this facility.

### **Thriving City**

- 102 The City Council will continue to develop its Local Development Framework and will use its best endeavours to maintain its performance in determining planning applications subject to the availability of sufficient resource capacity. The City Council will develop the work of the City Centre Co-ordinator and enhance the delivery of services within the City Centre.
- 103 Working with other Councils in County Durham, the City Council will continue to develop its procurement arrangements. It will adopt the recommendations of the LM3 analysis and encourage the new unitary authority to do likewise. It will formally adopt the SME Concordat. It will strengthen its contracting arrangements and reduce maverick spend, following the completion of the Spend Analysis.

## **Support the Development of the New Authority**

- 104 The activity outlined in this Plan is consistent with the vision and programme management arrangements for the new authority. Investment in corporate governance and infrastructure in particular will be closely aligned to workstream development.
- 105 Corporate health and governance issues for progression during the transition period include for development of risk management and health and safety arrangements to comply with the Corporate Homicide Act, the achievement of Level 3 of the Equality Standard for Local Government, the further reduction of sickness absence and the continuing review of corporate governance arrangements.

## Capital Programme and Associated Developments

- 106 The City Council has in place a capital programme associated with its key objectives. This programme was initially established in the Capital Strategy, Asset Management Plan and Medium Term Financial Plan. It is reviewed annually when the budgets are set. The pages below outline the key capital projects and associated developments to be taken forward in the transition period and set out relevant issues for the consideration of the Implementation Executive or Transitional Authority.
- 107 Subject to Cabinet and Council approval in February 2008, the 2008/09 Capital Programme includes the following key priority capital related commitments:

	2008/09 Commitment £000	Project Lead
<b>Flourishing Communities</b>		
▪ Private Sector Housing Grants and Loans	475	Neil Laws
▪ Flourishing Communities Fund Grants	100	E Hall
▪ Bowburn Community Investment Fund	320	D MARRS
▪ Durham Standard Improvement Works (Decent Homes)	4246	A Moscardini
▪ Other Council Housing Schemes	458	A Moscardini
<b>Quality Public Services</b>		
▪ Regeneration of Public Spaces / Play and Multi Games Areas	275	J Riddell
▪ Waste Recycling Schemes	41	J Riddell
<b>Capital City</b>		
▪ Freeman's Place Leisure Centre	690	D MARRS
▪ Pride in Durham	100	J Riddell
▪ The Journey Scheme	140	D MARRS
<b>TOTAL</b>	<b>6845</b>	

- 108 The commitment in respect of Freeman's Place Leisure Centre is net of land values transferred to the Regeneration Company to finance the construction, which is being commissioned and delivered via the Durham Villages Regeneration Company. The sums included in the 2008/09 Capital Programme for this Centre represent staged payments to its regeneration company for capital grants and contributions received by the City Council from its private sector partner (Competition Line) and from Sport England in relation to the construction of the facility and, as such, represent no direct cost to the City Council in 2008/09.

- 109 The City Council has transferred, and contracted to transfer, land and assets to its regeneration company DVRC to ensure that the City of Durham District obtains the full benefit of its assets. DVRC was set up as a joint venture company and is governed in accordance with its memorandum and articles of association. DVRC has delivered the successful completion of Annand House and Newton Hall Community Centre and currently has two further major projects underway – the construction of the Freeman’s Place Leisure Centre and Sherburn Hill Community Centre. As a consequence of the way it was created, profits generated by DVRC and are held in a development fund which is dedicated to the regeneration of the City of Durham District. DVRC determines what activities the development fund will finance, though the Council retains a right of veto in the event that a funding proposal is considered inappropriate. Specific priority is given to schemes which seek to improve the environment of the District and all projects take into account any legacy costs. Many projects have already been completed at Ushaw Moor and further schemes have been commissioned at Bowburn at New Brancepeth.

# KEY PROJECTS FOR CONSULTATION WITH TRANSITION AUTHORITY

## Swimming Pool

- 110 In October 2006, the City Council commissioned a leisure centre and swimming pool at Freeman's Place, Durham City to replace the existing baths at Elvet Waterside, which are nearing the end of their useful life. The City Council's joint venture regeneration company, Durham Villages Regeneration Company, has commissioned the facility, let contracts and manages the project. Currently, the project is on time and on budget, though final costs are not known at this stage.
- 111 In developing this facility, the City Council has worked closely with the County Council who granted a long term lease to the City Council for the land. This lease promotes levels of use by schools and the sixth form college free of charge during term time.
- 112 In undertaking this project, the City Council prepared a comprehensive business plan. This was recently reviewed, with recurring costs being built into the 2008/09 draft budgets and non recurring commissioning and set up costs being funded from reserves. The manager has been appointed and recruitment of staff is currently taking place.
- 113 As part of the development, the City Council has entered into a 20 years profit-sharing agreement with Competition Line who will fit out and equip the fitness suite and make a capital contribution to capital costs.
- 114 There is also a separate budget for artistic commissions, including the commissioning of etched and cast glass integral to the building and the provision of suitable fencing.
- 115 The City Council is confident that the facility will be completed and handed over in July 2008, and will open to the public in mid-summer of that year.
- 116 The capital costs are financed through a development fund held by DVRC, consisting of the value of land transferred and financial contributions from both the City Council and its partners. The value of land is mostly dependent on the granting of planning permission. Planning permission has already been awarded on the majority of sites and planning applications have been submitted on the remaining 2 sites, Byland Lodge and Horton Crescent.
- 117 The development agreement requires the City Council to meet any shortfall in the development fund on the completion of the project. The City Council has transferred several sites to DVRC, which are also capable of development and where, in some cases, planning applications have also been submitted. As a last resort, should there be a delay in the granting of planning permissions, the City Council has the option of undertaking unsupported borrowing in the short term, and, as a contingency measure, the City Council approved increased authorised and operational limits for 2008/09 and 2009/10 on 26 February 2007. The City Council currently does not anticipate that this facility will be required.

## Durham 2020 Vision

- 118 Durham City Vision is an ambitious partnership regeneration project that sets a Vision for the City in 2020 which will raise it's economic competitiveness and fulfil it's potential as a key driver for regional wealth creation. The City Council has a £50,000 contribution towards initiatives developed through this partnership within its budget framework.
- 119 The Vision Partnership seeks to both celebrate the best of the City's heritage and to facilitate regeneration by removing eyesores and encouraging new high quality developments to complement that heritage. The project has funding support from ONE NorthEast through the County Durham Economic Partnership, City of Durham Council, Durham County Council and other funding partners.
- 120 Durham City Vision has been established to deliver a wide range of projects including:-
- Heart of the City Market Place and Vennels
  - World Heritage Site Visitor Centre
  - Rail Station Improvements project
  - Old Shire Hall and 14/15 Old Elvet
  - Claypath – facilitate development of this key site.
  - North Road / North Place projects
  - Implementation of the Lighting and Darkness and the Signage strategies
  - Ice Rink – facilitate development of this key site
  - Events – develop an exciting programme of events and activities
  - Business Improvement and Town Centre management projects
  - Necklace Park Belmont Viaduct project and the Riverbanks Gardens project

## Community Funds

- 121 The City Council is committed to providing funds to benefit and regenerate its local communities. The City Council operates a Flourishing Communities Fund which provides both small revenue grants and capital funds to voluntary and community organisations. Following the success of its fund at Ushaw Moor (now fully committed), the City Council has established Community Investment Funds for several communities toward projects and schemes which will improve and regenerate the communities and their environment. These currently include:
- Bowburn (£1,900,000)
  - Cassop (£50,000)
  - West Rainton (£300,000)
  - Sherburn Hill (£400,000)
  - Lower Deerness Valley (£750,000)

## Masterplans

122 The City Council commissioned, subsequently adopted and is currently implementing a Masterplan for Bowburn, working closely with its regeneration company. It has also completed Masterplans for Esh Winning and Brandon. It has commissioned a further Masterplan for Sherburn and Sherburn Hill. The City Council and the unitary authority must work closely together to ensure that these villages and communities are reshaped and re-invigorated.

## Durham Standard / Decent Homes

123 The City Council's housing stock currently comprises 6166 dwellings of mixed property types. The stock is in relatively sound condition both by nature of design and because of the modernisation and planned maintenance programmes undertaken in the past.

124 The City Council is committed to not only meeting the Decent Homes Standard, but also meeting the Higher Durham Standard. A survey in 2004, based on 907 houses, estimated that 69.72% of houses were considered to be non-decent.

125 The City Council has put plans in place to achieve the Decent Homes Standard by 2011 for all its properties. These plans are financed by the Major Repairs and Maintenance Allowance and receipts from the sale of council houses. In the last two years, receipts from the sale of council houses have declined dramatically due to higher interest rates. There is currently a risk that if these sales (and interest rates) continue at this level and other funds do not become available, the City Council may have 6% of its stock which is non decent at the end of 2010/11.

## Durham Villages Regeneration Company

126 Durham Villages Regeneration Company is an award-winning joint venture company established by the City of Durham and Keepmoat plc. It is governed in accordance with its memorandum and articles of association. In 2007/08, the partnership won a prestigious BURA award. It is a construction company which provides affordable houses on land transferred to it at market value by the City of Durham. In this way, the Council achieves full market value for the land. In addition, the profits generated by DVRC are used solely for regeneration of the City of Durham District. DVRC is currently developing sites in five villages and has plans to develop further sites in this district.

127 The City Council receives an annual dividend from the Company. For 2008/09 the revenue budgets estimate that this will amount to £750,000. Durham Villages Regeneration Company is a private sector limited company.

128 The Company seeks to regenerate the district, and achieves this through commissioning masterplans and funding projects designed to regenerate the local environment. The Company also, through the establishment of community based investment funds, supports community led initiatives and schemes.

129 The Company has also delivered new facilities for the Council. Both Annand House and Newton Hall Community Centre have been procured in this way, with the Company now responsible for delivery of the Freeman's Place Leisure Centre and commissioning the design and construction of a new Community Centre at Sherburn Hill. Such projects are financed through the contributions to the Company for the full values of the project in the form of land and cash. The City Council has standard arrangements in place with the company to ensure that the transfer of sites is done in a prescribed way which ensures that the City Council receives full market value for the land transferred (and the benefit of any uplift as a consequence of planning permission being secured). The market value of the sites can be applied to the development fund and/or community investment funds held by DVRC.

## **Review of Parish Arrangements**

130 Currently, the City Council has large areas that are unparished. A fully parished district would enhance the voice of its residents and promote participation, democracy and effective governance. Members are currently proposing to carry out a consultation exercise to gauge the level of support for new parish councils and wish to work closely with the unitary authority on this process.

## **Charter Trustees**

131 The City Council is keen to ensure that the historic and civic traditions of the City of Durham continue in the event of a unitary authority being established. These traditions include the Office of Mayor (which dates back to 1602), the appointment of a Bodyguard (dating back to the 13<sup>th</sup> century), the retention of the ceremonial bearings of the City and the City Charter (dating back to the 11<sup>th</sup> century) and the continued existence of the Guild of Freeman. The City Council believes that these traditions could be preserved by the creation of Charter Trustees. This City Council wishes to work with the unitary authority to ensure that Charter Trustees are established and these historic civic arrangements continue to flourish.

## **KEY SHORT TERM ISSUES REQUIRING A DECISION BY THE NEW UNITARY AUTHORITY POST 1 APRIL 2009**

### **Stock Options Appraisal**

- 132 In 2005, the City Council completed an Options Appraisal of its housing stock. It decided to retain its stock in-house, a decision favoured by its tenants and endorsed by Government Office. Government Office required the City Council to review this decision within 3 to 5 years. The unitary authority will need to meet this requirement and review the position in line with a revised 30 year housing business plan.

### **Replacement of the Cremators at Durham Crematorium / Redevelopment of the Crematorium**

- 133 The cremators at the Durham Crematorium are nearing the end of their useful lives and will require replacement in 2011. Unfortunately, the estimated costs of this replacement have increased significantly because of a requirement under European legislation for mercury abatement equipment to be installed. Not only has the costs of replacement cremators risen substantially, but so has their size, requiring building and construction work to be undertaken. At the same time, the building of the Crematorium requires refurbishment, both because of its age, the increasing number of cremations that take place and the growing number of mourners who attend services.
- 134 The Joint Committee did commission a feasibility study for this development and has considered several financing options. However, visits to other Crematoria and discussions with private sector companies suggested that the estimated costs appeared high. Moreover, planning permission has recently been granted for a new private sector Crematorium at Coundon in Wear Valley. This may reduce the number of cremations at Durham (and the income it receives from fees and charges) and this could lead to a reduction in the number of cremators and the alterations to the building required. Thus, the unitary authority, working with its partner in the Joint Committee, Spennymoor Town Council, will need to consider the future of this facility.

The Joint Committee makes an annual payment to its constituent authorities estimated at £250,000 in 2008/09, of which the City of Durham receives 80%.

### **Future Office Accommodation**

- 135 As part of its Asset Management, the City Council has reviewed its land and property holdings on several occasions in recent years. The City Council commissioned the building of Annand House at Meadowfield to replace the old John Street offices. The City Council has refurbished both Dragonville and



Claypath. The City Council has long standing plans to replace Byland Lodge and to vacate Saddler Street and High Street. These plans were reshaped following Local Government Review. The City Council will still dispose of Byland Lodge in July 2008. Services currently located there will be moved into existing properties and into a new office facility, Humber House, which the City Council has leased. The City Council's lease on High Street and Saddler Street will end in June 2009. The new unitary authority will therefore need to give careful consideration to its continued use of these leased properties.

## Major Developments within the City of Durham

- 136 There is considerable interest from the private sector in undertaking investments and developments within the City of Durham. The City Council, like all landowners, has ensured that it benefits from this and has reviewed its property holdings and through DVRC is planning to dispose of and regenerate the following sites:
- Byland Lodge
  - Elvet Riverside
  - West Millburngate
- 137 Land and property owners and developers are also bringing forward proposals to develop several key sites in and around the City Centre, including:
- The former Ice Rink
  - Millburngate House
  - Claypath
  - Mount Oswald
  - Houghall College
- 138 The City Council and the unitary authority will need to take a view on proposed developments, and ensure any interest and investment is harnessed for the benefit of the City, its businesses and residents as a whole. Its Planning, Conservation and Regeneration Services must possess the capacity and capability to advise and appraise several major applications in a relatively short period of time. Any development in this historic city attracts a great deal of interest, from residents, the public, community groups and many local and national organisations. Developments are subject to considerable debate and applications, if approved, can be challenged and subject to public inquiry. Commitments to provide the robust evidence necessary to underpin the assessment proposals must be maintained. Some additional work may be required to reinforce the soundness of appraisals.

## **Community Assets and Facilities**

- 139 The City Council owns many community assets and liabilities, both on a freehold and leasehold basis. Many properties have been occupied for many years by charitable organisations, community groups and sporting clubs, sometimes on a formal basis i.e. subject to a lease or legal agreement, but often on an informal basis. The City Council and the unitary authority should continue to review the use of these buildings and to ensure all occupiers enter into a formal lease agreement. This will enable many groups to access grants to improve their buildings and secure their future use for the long term.
- 140 The City Council has in some cases renovated its buildings, such as Cooper Hall, Witton Gilbert, and in others replaced those, such as Newton Hall Community Centre. The City Council is currently funding a feasibility study for a new Community Centre at Pity Me and has commissioned DVRC to develop a new Community Centre at Sherburn Hill.

# ORGANISATIONAL DEVELOPMENT PLAN

## Capacity

- 141 To ensure that transition projects, LGR implementation milestones and service delivery standards are met, Business Development, Policy and Performance and Human Resources Services will support service departments with effective and timely methods. Appropriate additional resource such as agency workers, staff secondments, interim managers, consultancy and temporary employees will be secured as and when required, and temporary additional duties and responsibilities assigned as necessary. In so doing, the City Council will comply with Human Resources Protocols. Provision has also been made for these eventualities within its budget framework, financed from a prudent use of General Reserve.
- 142 It is also important that 'key worker' knowledge is retained during the transition period, therefore flexible-working policies will be promoted and encouraged. Any applications for ER/VR will be considered in the light of the City Council's commitment to achieve efficiencies. In so doing, the City Council will also take into account the published plans for a new unitary authority which target areas where economies of scale and scope are possible.

## Training and Development

### Top Team Development

- 143 Providing positive leadership through the transition to a unitary authority is a significant and key challenge that will have a major impact on employee morale and retention. To facilitate this executive support will be provided for Management Team and Cabinet via a range of interventions.

### Competency Framework

- 144 It is likely that common standards (competencies) will be used by the new authority to enable fair and transparent recruitment and selection through skills matching. The City Council has for many years adopted a competency framework and this should benefit its employees in the future.

### Career Transition Programme

- 145 In an effort to support employees to secure future career opportunities, a Career Transition Programme will build confidence and understanding of competency based recruitment processes (interviews and assessment centres).

## Professional Development

- 146 It is important that employees are able to demonstrate compliance with professional standards to ensure they are best positioned for job matching. Relevant employees will be encouraged and supported to identify training required to fill any potential gaps. The City Council has for many years encouraged staff to seek professional and managerial qualifications. The City Council is increasing its training budget in 2008/09 thereby enabling it to promote such qualifications.

## Talent Management

- 147 During the transition period the City Council considers it important to address the career aspirations and talents of employees who wish to remain with the new authority but who require further training to enable them to access better opportunities. The City Council, through its Personal Development Review process, identifies the training and development needs of its staff. The Human Resources Section will work with Directors and Heads of Service to establish suitable training opportunities and encourage participation in these.

## Change Management Training

- 148 A detailed LGR focused change management programme will be delivered to all managers as implementation progresses.

## Communications Strategy

- 149 The City Council has already put in place an effective internal communications strategy. This identifies the key messages at each stage of the change programme. This is regularly reviewed throughout the process and delivered via the following mechanisms:
- CEO/Director Briefings
  - Communication Matters
  - Staff Viewpoint Panel
  - Interactive Methods e.g. e-mail
  - Trade Union Consultation and Involvement Framework (Appendix 3)
  - Team Brief
  - Team Meetings
- 150 The City Council will continue to inform its citizens through its publication 'City News'.
- 151 To ensure swift communication takes place, it may be necessary at times to deploy the above mechanisms at short notice. Internal/external communications strategies will be coordinated to ensure employees receive information from the appropriate source at an appropriate time. The City Council will ensure that in all communications, it adheres to the Communication Strategy Protocols.

# FINANCIAL PLAN

## Financial Framework

- 152 The authority prepares its annual revenue and capital budgets in line with its Medium Term Financial Plan (as approved by Cabinet in September 2006 and as amended in terms of capital spending in March 2007). This document outlines the Council's spending plans and estimated resource base for the period 2006 – 2009 and commits the City Council to maintaining increases in its Council Tax in line with inflation.
- 153 In 2007/08 there was the intention to re-visit the Medium Term Financial Plan in line with the outcome of the CSR 2007 and to inform future years' budgets. However, due to local government restructuring within County Durham from April 2009, the decision was taken not to re-write the existing Medium Term Financial. Rather it is to be replaced by this Transitional Plan.
- 154 The 2008/09 Budget Framework report sets out full details of the significant financial challenges, over and above inflationary pressures faced by the City Council, including a particularly disappointing (if not unexpected) grant settlement as a result of the fiscal tightening within the CSR 2007; increased targets in terms of securing efficiency savings; the need to build in the running costs of the new Freeman's Quay Leisure Centre; the revenue impact of the new National Concessionary Travel scheme; and the implementation of a New Kerbside recycling scheme to name a few. The 2008/09 budget framework focuses on the resourcing of the key projects outlined in this Transition Plan, the pressures facing the authority in setting its final year revenue budget and the overall position of financial resources.
- 155 This authority's finances have been in a healthy state in recent years due largely to effective management, sound governance and financial arrangements and efficient use. The City Council has established sound medium to long term financial planning arrangements and takes into account the medium to long term impact of any decisions it reaches. This has enabled the City Council to strengthen its financial standing and be in a position to undertake major projects without placing undue pressure on the City Council's financial stability. The City Council undertakes a full assessment of all financial risks when setting its annual budgets and reports this assessment to both Cabinet and Council when the budgets are approved. This approach will be maintained over the transitional period as the City Council has no wish to jeopardise the successful operation of the unitary authority in future years. The efficiency targets introduced as part of the Spending Review 2004 have been exceeded and used to support frontline services and corporate priorities. The authority will approach the new efficiency agenda with the same application and outlook.
- 156 The Medium Term Financial Plan has been a document widely used in developing detailed spending plans for 2007/08 and 2008/09. The Comprehensive Spending Review 2007 has obviously become a key factor in resource availability alongside Housing Subsidy determinations and these directly impact on revenue spending plans for 2008/2009.

## Revenue Budgets 2007 / 2008 and 2008 / 2009

- 157 The City Council currently has 2 detailed revenue budgets, the General Fund and Housing Revenue Account, and both accounts will require a budget to be set for 2008/2009.
- 158 In terms of the current financial year, the financial report for the period 1 April 2007 – 30 September 2007 (presented to Cabinet 28 November 2007) identified that overall Council expenditure would be contained within approved budgetary resources – with a contribution to the General Reserve of £186,000. If the forecast position is achieved, the General Fund Reserve would rise to £686,000 at 31 March 2008.
- 159 The report to Cabinet also estimated that the HRA would return an underspend / saving of £297,000 in 2007/08, thus, the HRA Working balance was estimated to rise to £1.18m at 31 March 2008.
- 160 Cabinet at its meeting of 5 March will consider in detail the budgetary control report for spend to 31 December, together with a revised probable outturn forecast. Initial indications are that both the General Fund and HRA will return an underspend / saving in 2007/08, but perhaps not as much as first anticipated.
- 161 The City Council has made good progress in developing its 2008/09 budgets, with draft budgets currently in place. These will be presented to Cabinet on 13 February 2008, Scrutiny Committee on 7 February 2008 and to Council on 26 February 2008. These revenue budgets have been prepared based on long established, successful principles, developed through experience and outlined in its Medium Term Financial Plan. These have proved both resilient and flexible, and have adapted to the City Council's changing circumstances and the new environment created by Local Government re-organisation. These principles are set out below:
- Growth restricted to legislative and unavoidable change, demand led changes that lead to added value and by investment priorities set by the City Council, after extensive consultation with the public and partners.
  - Use of Reserves in line with Medium Term Financial Plan forecasts and the subsequent review of reserves and revised policy approved by Council. The City Council sets its budgets on the basis that reserves will be used to fund non-recurring revenue or capital expenditure. The City Council has also agreed that reserves may be used to support the costs of job evaluation in the short term, allowing the City Council to build the full costs into its recurring budgets over three years. This should ensure that the implementation of single status does not lead to service reductions or jeopardise the delivery of our high quality services.
  - A Council Tax increase of 1.9% has been included in the draft budgets, enabling the City Council to meet its commitment of keeping Council Tax increases to the minimum and ensuring that they are set in line with inflation or preferably below inflation

- A balanced Housing Revenue Account, which permits a revenue contribution to capital expenditure in line with the Medium Term Financial Plan, the Capital Strategy, Asset Management Plan and Housing Business Plan.
  - Rent increases in accordance with the revised rent restructuring formula.
  - The pursuit of value for money and efficiency savings, whilst delivering high quality services.
- 162 Overall, the budgets have been prepared on the basis of business as usual, with any growth in service provision being restricted to essential / pre-determined areas only and where these would not be to the detriment of the new authority. Full details are included in the 2008/09 Budget Report.

## Capital Budgets 2007 / 2008 and 2008 / 2009

- 163 In the Autumn, the Council completed a review of its existing capital priorities. This was undertaken within the corporate frameworks established by the Corporate Performance Plan, the Medium Term Financial Plan, the Capital Strategy and Asset Management Plan. This review considered the key priorities of the Council, existing capital commitments and the availability of capital resources, including capital receipts and grants. Following the review, the Council agreed in November to a revised General Fund Capital Programme for the current financial year of £5.794M. This includes commitments brought forward from prior years and a refinancing of the programme to reflect the changed environment which led to the postponement and withdrawal of some schemes, as they were considered no longer worthwhile given their nature and the remaining life of the Council.
- 164 The Council has prepared a revised 2008/09 capital programme. These proposals include a General Fund Capital Programme of £1.7M, a Housing Business Plan / Capital programme of £4.7M and a Flourishing Communities / Community Investment Funds of £0.42M
- 165 These capital programmes are financed from supported borrowing, anticipated Capital Receipts, the sale of council houses (RTBs), capital grants and contributions and the use of earmarked reserves and balances. The Council estimates that the available capital reserves in 2008/09 will amount to £6.937M. This includes supported borrowing of £0.248M, capital receipts from land sales of £0.46M, the usable element of RTBs of £0.75M, the Housing Major Repairs Allowance of £3.866M, grants and contributions of £1.147M and direct revenue financing of £0.412M. The Council estimates that the uncommitted resources available at 31 March 2008 will amount to £0.054M and at 31 March 2009 £0.092M.
- 166 The 2007/08 and 2008/09 capital programmes are net of the projects being delivered through the DVRC, financed through the development fund pot derived from land values transferred to the Regeneration Company to finance these schemes.

- 167 Gross expenditure at 30 September 2007 against the HRA Business Plan amounted to £2.758M compared with revised 2007/08 programme of £5.296M. Thus, 57% of the planned total Housing Business Plan had been incurred.
- 168 In 2007/08, the City Council created a Flourishing Communities Fund of £0.228M. At 30 September 2007, expenditure of £0.112M has been incurred. The fund is expected to be fully committed at 31 March 2008.
- 169 The City Council has also created an Ushaw Moor Community Investment Fund, with a 2007/08 budget of £0.120M and a Bowburn Community Investment Fund of £0.556M. Both funds are expected to be fully committed at the year end.
- 170 The Council has prepared a revised 2008/09 capital programme. These proposals include a General Fund Capital Programme of £1.7M, a Housing Business Plan / Capital programme of £4.7M and a Flourishing Communities / Community Investment Funds of £0.42M
- 171 These capital programmes are financed from supported borrowing, anticipated Capital Receipts, the sale of council houses (RTBs), capital grants and contributions and the use of earmarked reserves and balances. The Council estimates that the available capital reserves in 2008/09 will amount to £6.937M. This includes supported borrowing of £0.248M, capital receipts from land sales of £0.46M, the usable element of RTBs of £0.75M, the Housing Major Repairs Allowance of £3.866M, grants and contributions of £1.147M and direct revenue financing of £0.412M. The Council estimates that the uncommitted resources available at 31 March 2008 will amount to £0.054M and at 31 March 2009 £0.092M.
- 172 The 2007/08 capital programmes are net of land values transferred to the Regeneration Company to finance the construction of Freeman's Place Leisure Centre, which is being externally delivered via the Durham Villages Regeneration Company.

## Reserves and Balances

- 173 The Local Government Act 2003 requires all local authorities to reach and maintain a minimum level of resources – balancing risk against the opportunity costs of maintaining balances at too high a level.
- 174 In the period 2004/05 to 2006/07 the General Fund Reserve was progressively and substantially increased to provide the necessary contingency to cover the financing of the significant capital investment programmes during 2006/07 and 2007/08. This financial strategy proved extremely prudent and beneficial in 2007/08. The Council was able to respond to and accommodate the loss of resources from a number of land sales in 2007/08 and secure the financing of the revised programmes by utilising these resources
- 175 During 2007/08 the Council (at its meeting of 27 September 2007) reviewed its policy with regard to reserves and balances (previously agreed by Council on 27 February 2006 and endorsed in February 2007), to provide future clarity



and understanding of the General Reserve, to ensure an urgent response on the part of this Council in the event of an emergency and to consider the opportunity cost of holding an amount in reserve, which exceeded its target. The Council was also recognising the materialisation of risks inherent in its plan to fund the capital programme from land and RTB sales, a reassessment of the risk and liabilities facing the Council and the impact of the possible establishment of a unitary council in County Durham.

- 176 Council in September 2007 approved the establishment of the following reserves from the existing General Reserve:
- a Strategic Emergency Reserve of £700,000 to cover emergency events such as unforeseen financial liabilities or natural disasters
  - a General Reserve of £500,000 to support one-off and limited ongoing revenue expenditure in the existing financial year
  - a Capital Fund Revenue Contribution of £2,005,000 to fund, if necessary, the existing capital programme in 2007/08 and 2008/09 to meet, if necessary, the costs of contractually committed capital works/programmes undertaken by DVRC in 2007/08 and 2008/09 and to fund further capital schemes outlined in Corporate Plans.
- 177 The Strategic Emergency Reserve currently stands at £700,000 and will remain at (at least) this level until vesting day of the new authority. The Capital Fund – Revenue Contributions Reserve has been fully allocated to finance the 2007/08 programme and therefore there will be no balance on this fund at 31 March 2008 or at vesting day of the new authority.
- 178 In terms of the General Reserve, as noted above, the estimated balance at 31 March 2008 currently stands at £686,000. The budget framework includes support of £502,560 from this reserve during 2008/09. Included within this figure is non-recurring one off commitments in 2008/09 in respect of an increase in the central training budget to deal with expected increased demands during the transition year (£51,000); the business build / facility commissioning costs in relation to the Freeman's Quay Leisure Centre (£75,000); and the purchase of the new re-usable sacks for the expansion of the kerbside recycling scheme (£72,000).
- 179 The balance (£304,560) relates to part-financing of the £460,000 business continuity / service initiatives provision included within the budget framework to deal with unknown costs associated with business as usual activities during transition to the new authority – for example additional training, agency, overtime payments etc. This provision can also be applied to finance one off small capital environmental schemes / projects during transition, but only where such schemes result in no ongoing detriment to the new authority.
- 180 The current estimated balance on the General Reserve at 31 March 2009 is therefore £183,440, however, it must be noted that this is based on the provisional outturn position for 2007/08 reported to Cabinet in November 2007, which is currently being recast for members consideration on 5 March 2007.
- 181 It also assumes that the full £460,000 business continuity / service initiatives provision will be expended in 2008/09 and that all other budgets come in at

- their forecast levels next year, which is unlikely. The City Council has consistently come in slightly under-budget in recent years and there is no reason to suggest 2008/09 will not be the same.
- 182 The balance on the Housing Revenue Account is forecast to be around £1m at 31 March, 2008 and will be maintained at this level in 2008/09. This fulfils the requirements of the previous Medium Term Strategy, which has seen the HRA Working Balance almost double over the last four years, providing capacity and flexibility to respond to housing investment needs as they arise, plus the medium term issue of needing to finance a further stock options appraisal by 2010 – in line with the conditions imposed by Government Office following the original stock options appraisal in 2005.
- 183 The Council holds a range of other earmarked reserves to meet spending commitments. These reserves are only used for the purposes for which they were created and are being kept under constant review via the budget monitoring reports considered by Cabinet on a quarterly basis. At 31 December 2008, these reserves amounted to £465,000. Of this figure £200,000 relates to an earmarked reserve established in 2006/07 from HMO Licence Fees income, which is being applied to cover the administration and inspection costs of this regime over a five year period, plus £188,000 in respect of Section 106 Agreements. Only the HMO Licence Fee Earmarked Fund and the S106 Agreements reserves will be unallocated at vesting day.
- 184 The Council currently holds an Insurance Fund of £491,000. The Council is committed to maintaining a minimum balance of £400,000 on this Fund.
- 185 The Council held a HRA balance of £851,000 at 31 March 2007. It estimates that the balance will rise to approximately £1M by 31 March 2008 and will be maintained at this level in 2008/09.
- 186 The Council's policy is to maintain a minimum HRA balance of £500,000 seek to maintain a balance of £1M over the medium term. The purpose of the HRA reserve is to offset any potential future deficits and to fund improvements to the Council's housing stock and its management in future years.

## Summary

- 187 The City Council's much improved financial position in recent years will enable it to ensure that no unplanned financial burden falls on the new authority. The General Fund, Insurance Fund and HRA Reserves and Balances are in line with statutory guidelines and all capital commitments are adequately financed. The City Council has yet to negotiate and implement single status, but has included a provisional sum in its budget. The citizens of Durham will benefit from a replacement Leisure Centre, a refurbished Town Hall, an improved Streetscape, better community facilities and attractive parks, open spaces, playgrounds and multi-games areas. The City Council has also improved the quality of its housing stock. Above all, it has brought new life and a brighter future to the City and its villages. This has been achieved by effective financial management, robust financial planning, good asset management, sound risk management and innovative partnerships.

## RISK MANAGEMENT

- 188 In recent years, the City Council has established robust risk management arrangements and seeks to continually improve these in line with emerging best practice. It has clearly identified its strategic and operational risks and is currently integrating its risk management systems with its audit and health and safety systems.
- 189 In July, the City Council reviewed its strategic risks and assessed the following major risks as being the highest priority or 'red' risks. These are:
- Sickness Absence
  - Change to the role and structure of local government (Unitary Authority)
  - Potential failure to achieve capital receipts from land sales/RTBs
  - Implementation of Single Status
  - Shared services
  - Non-compliance with Fire Order
  - Regeneration via DVRC
  - Adequacy of response to emergency situations
  - Level of Pension Funds
  - Public contact with asbestos, water hygiene and similar hazards
- 190 The Authority, through its Risk Management Working Group, has nominated lead officers for each of the associated and identified actions to mitigate these risks. The City Council monitors quarterly the achievement of these actions in an action plan and reports to Cabinet and Audit Overview Committee on its progress. OMT has reviewed all risks in the Strategic Risk Register and identified those that are relevant to the next fifteen months.
- 191 The Council's Officer Management Team has reviewed the strategic risks in the Council's risk register and re-evaluated them. It has identified those risks that could arise during the period until 1 April 2009, and decided to include only those risks in the Transition Plan Risk Register. Consequently, medium to long term strategic risks will not be included.
- 192 The City Council's Officer Management Team has identified separately the risks to this Council inherent in the establishment of a unitary authority. It has assessed the following risks as being 'red' or of critical importance:
- Service Continuity / Business Continuity Management (during transition)
  - Loss of staff
  - Meeting the needs of the public, service users and staff
  - Loss of interest of staff
  - Rush to spend balances
  - Loss of knowledge / data / experience
  - Inappropriate decision making (future commitments)
  - Failure to safeguard and transfer assets
  - Breakdown in internal control and good governance

193 The City Council has produced a risk register for the Transition Plan, incorporating existing strategic risks and including risks inherent in the establishment of a unitary authority. The following seven risks are of the highest importance:

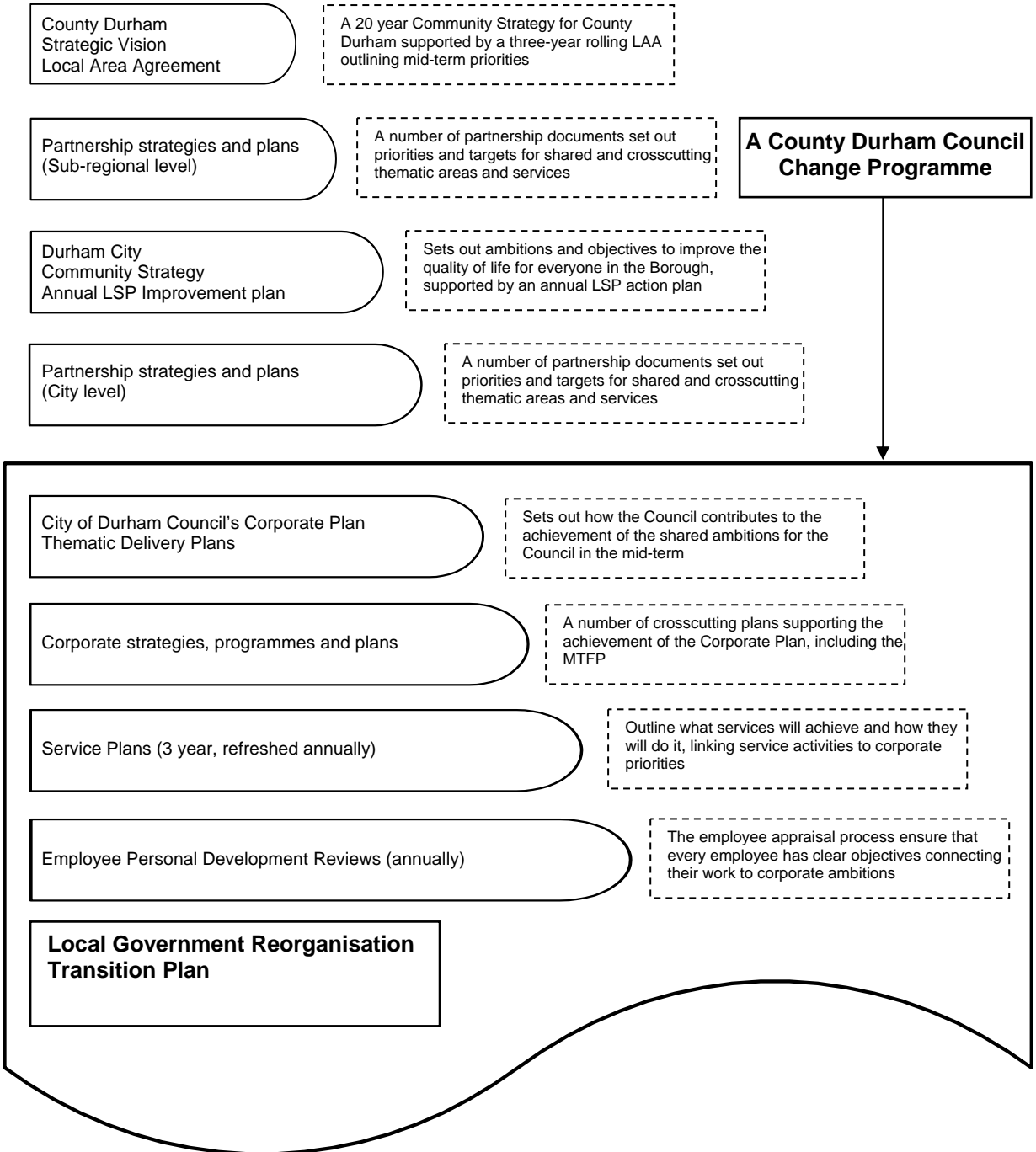
- Sickness Absence
- Service Continuity / Business Continuity Management
- Potential failure to achieve Capital Receipts from land sales / RTBs
- Implementation of Single Status
- Loss of staff
- Meeting needs of the public, service users and staff
- Non compliance with Fire Order

There are a further 8 risks which have also been identified as being 'red' or of critical importance.

194 In line with its normal practice, the City Council has identified nominated lead officers to monitor and manage these risks. It is preparing a detailed risk register and action plan to achieve this. This register and action plan will be reviewed bi-monthly by the Risk Management Working Group. The Group has successfully adopted this approach in managing risks in major projects in recent years.

# APPENDIX 1

## CORPORATE PLANNING ARRANGEMENTS



## APPENDIX 2

### REPORT TO SENIOR OFFICERS' GROUP

22 JANUARY 2008

### REPORT OF HUMAN RESOURCES GROUP

## LOCAL GOVERNMENT REORGANISATION

### INTERIM APPOINTMENT ARRANGEMENTS

#### 1 BACKGROUND

- 1.1 The forthcoming reorganisation of local government in County Durham will between now and vesting day have a significant impact on the organisation structures and employees of the affected Councils. In practice each authority will have to balance its staffing capacity if it is to continue to deliver “business as usual” and complete/progress ongoing projects whilst at the same time ensuring that it makes an effective contribution to the creation of the new authority.
- 1.2 Furthermore the relative uncertainty of Local Government Reorganisation (LGR) may lead to increased levels of employee turnover, which in turn may exacerbate potential capacity problems and adversely affect each Council’s ability to fulfil its duty to cooperate in the reorganisation via the release of employee resources.
- 1.3 The Human Resources Group (HRG), which is represented by each of the eight affected Councils, has recently considered these issues in some detail and this report sets out its thinking in respect of interim appointment arrangements and makes a series of related recommendations.

#### 2 RECOMMENDED

It is recommended that the Senior Officers’ Group:-

- 2.1 Considers the Vacancy Risk Matrix at Appendix 1
- 2.2 Approves the proposals in respect of high, medium and low risk vacancies detailed in section 5 with immediate effect.
- 2.3 Approves quarterly monitoring and reporting arrangements detailed in section 6 with immediate effect.

### 3 **OBJECTIVES**

3.1 The HRG has identified a need to harmonise interim appointment arrangements across all County Durham Councils in the lead-up to vesting day in order to meet the following objectives ...

- To protect existing permanent employees by “future proofing” all new appointments
- To retain existing and essential skills and capacity for the new authority
- To ensure that all Councils continue to deliver quality local services
- To ensure that interim appointment arrangements are practical and non-bureaucratic (and are therefore not bypassed)
- To facilitate inter-authority working and cooperation in the lead-up to vesting day
- To support all Councils in fulfilling their statutory duty to cooperate in the reorganisation via the release of employee resources

### 4 **POST CATEGORIES**

4.1 The HRG’s work to date has identified a range of categories of post and these have influenced the group’s thinking in terms of interim appointments. These categories are of course open to debate and discussion, but in order to satisfy the objective of practical and non-bureaucratic arrangements they have been categorised as follows ...

Vacancy Types:                      Unchanged existing post  
    Amended existing post  
    New post

Employment Types:                Frontline/operational  
    Frontline support  
    Corporate support

Employment Levels:                Director/Chief Officer  
    Head of Service/Assistant Director  
    Senior Manager/Professional  
    Middle Manager/Career Graded Professional  
    First Line Supervisor  
    Operative/Administrative

4.2 As a reflection of the objectives set out above the group has undertaken a basic assessment to measure the relative level of risk associated with the filling of posts with a permanent contract employee, ranking the level of risk as high, medium or low. This assessment is attached at **Annex 1**.

## 5 APPOINTMENT METHODS

- 5.1 The HRG recognises that that externally recruited permanent appointments should be kept to an absolute minimum in order to achieve the stated objectives and in order to achieve this the following proposals have been developed on the principle of a “family group” of County Durham Councils with an internal recruitment market and a unified external recruitment “public face”. Moreover, it is proposed that different appointment methods be deployed depending upon the level of risk assigned to a particular vacancy type.
- 5.2 It is proposed that all vacancies categorised as **low risk** should be filled at the discretion of the employing authority.
- 5.2 In respect of vacancies categorised as **medium risk** it is proposed that the employing authority should initially attempt to fill the vacancy through one or more of the following methods, which are listed in approximate order of preference ...
1. Acting-up (stepping-up) arrangements
  2. Temporary additional duties and responsibilities
  3. Overtime working
  4. Agency worker (short-term) cover
  5. Redeployment of an existing postholder
  6. Shared/mutual support across two or more Councils
  7. Temporary (or fixed-term) countywide internal appointment<sup>1</sup>
  8. External consultant (project-based cover)
  9. Countywide internal permanent appointment
  10. External permanent appointment
- 5.3 Naturally vacancies that fall in the **high-risk** category should be considered more carefully. Where the employing authority deems that the vacancy needs to be filled, it is proposed that the methods outlined above (see 5.2) be followed with the exception of countywide internal and external permanent appointments, which it is proposed should not normally be permitted. However, it is further proposed that a formal request to fill a **high-risk** vacancy on a permanent basis may, in exceptional circumstances be referred to the SOG for consideration.
- 5.4 A flowchart of appointment methods is attached at **Annex 2**.

## 6 MONITORING AND REPORTING

- 6.1 The HRG is in the process of establishing a baseline of the total number of posts on the establishments of all eight Councils together with details of

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<sup>1</sup> It is considered highly likely that temporary (or fixed-term) countywide internal appointments will lead to shared service/mutual support arrangements across two or more Councils.



existing vacancy numbers. When this information is available it is proposed that the appropriate statistical analyses be monitored on a quarterly basis by the HRG and the SOG.

- 6.2 Trends in respect of this information can also be monitored and the arrangements proposed in this report may be amended/refined at a later date if this is considered necessary in order to meet the objectives set out above.

## **7 CONCLUSION**

It is considered that countywide implementation of the proposals set out in this report will significantly mitigate the risks of failing to protect existing employees, failing to retain existing skills for the new authority, failing to deliver quality local services and failing to release capacity to facilitate the implementation of the new County Durham Council.

## **8 OTHER MATERIAL CONSIDERATIONS**

### **8.1 Legal/Constitutional**

The County Durham (Structural Change) Order 2008 states ...

*It shall be the duty of the County Durham council and each of the district councils to cooperate in the formation of the Implementation Team and to release the officers concerned from their normal duties at such times or for such periods as the Implementation Executive or the executive of the County Durham council may reasonably require.*

### **8.2 Recruitment Advertising**

The HRG is currently developing a shared process for the advertising of all internal vacancies across all County Durham Councils and is investigating the procurement implications of establishing a single contract for externally advertised recruitment.

Furthermore, all eight Councils have previously signed-up (separately) to the development of an Online North East Regional Recruitment Portal – a project that is being developed via the North East Regional Employers' Organisation. The HRG will work with the Project Manager to ensure that this now progresses on the basis of a single Council for County Durham.

## ANNEX 1

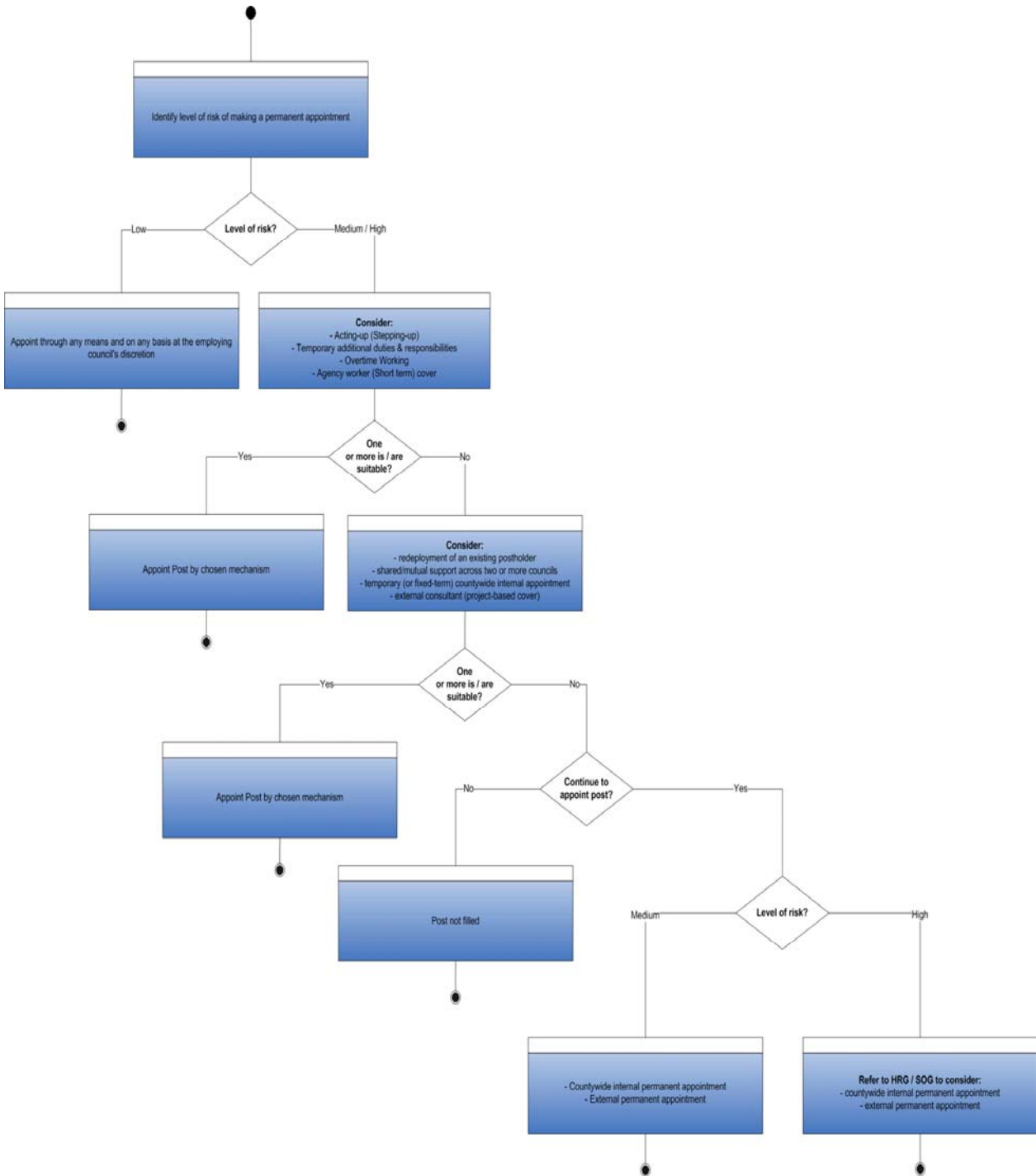
<b>VACANCY RISK MATRIX</b>
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Vacancy Level	Type								
	Unchanged Post			Amended Post			New Post		
	F/O	FS	CS	F/O	FS	CS	F/O	FS	CS
Director/Chief Officer	H	H	H	H	H	H	H	H	H
Head of Service	H	H	H	H	H	H	H	H	H
Senior Manager/Professional	M	M	M	M	M	M	H	H	H
Middle Manager/Career Graded Professional	L	L	M	L	L	M	M	H	H
First Line Supervisor	L	L	L	L	L	M	L	M	M
Operative/Administrative	L	L	L	L	L	M	L	L	M

**Key:****F/O** Frontline/Operational**FS** Frontline Support**CS** Corporate Support**Level of risk associated with filling the vacancy on a permanent contract basis:****H** High**M** Medium**L** Low

ANNEX 2

# FLOWCHART – APPOINTMENT METHODS



## **APPENDIX 3**

### **PROCEDURE AGREEMENT FOR A JOINT TRADE UNION FORUM BETWEEN**

### **THE CONSTITUENT AUTHORITIES SUBJECT TO LGR**

### **IN COUNTY DURHAM AND THE**

### **SIGNATORY TRADE UNIONS**

#### **1. FOREWORD**

The purpose of this Agreement is to provide a framework for a Joint Trade Union Forum for consultation with the signatory Trade Unions with reference to the creation of a single unitary council in County Durham in 2009 as set out in the Government's White Paper 'Strong and Prosperous Communities'.

#### **2. DEFINITIONS**

1. The Constituent Authorities are City of Durham, Sedgefield Borough Council, Wear Valley District Council, District of Easington Council, Teesdale District Council, Derwentside District Council, Chester-le-Street District Council and Durham County Council.
2. Employees are all employees employed by the Constituent Authorities.
3. Joint Committee (G8) - Group responsible for providing high level strategic direction for the implementation of the new unitary council.
4. Joint implementation team (JIT) – Team which will provide leadership for the programme and work to the programme set by the Joint Committee (G8)
5. Human Resources Group (HRG) – Provide support to the JIT through provision of advice and guidance on people and organisational related issues associated with the unitary council. Provide the consultation arrangements with the Trade Unions.
6. Programme Director – Responsible for day to day management of the programme via a programme office.

#### **3. OBJECTIVES**

The Joint Committee recognise the need for employees' participation, representation and involvement in the transfer of the Human Resources of the existing councils into the new unitary council.

The purpose of the framework is to:-

- Generate commitment of all employees to the objectives of the unitary council
- Create a forum of employees' representatives to contribute to and influence the work of the JIT
- Ensure the transfer of employees into the new organisation is carried out in a timely, fair and transparent manner
- Ensure that the consultation framework supports the 'people' transition framework with a view to transforming existing working practices, employment, workforce arrangements and culture
- Liaise with the trade unions in establishing pay and reward strategies
- Consultation over the people management protocol which will address the key HR issues
- Remove barriers to change and minimise risk of disruption to services
- Consult on the key issues impacting on employees, transfers, senior staff appointments, redundancy/severance, TUPE and equal pay
- Develop options for consideration by the G8, JIT or Programme Director that attempt to harmonise those terms and conditions or local agreements that are necessary to facilitate a smooth transfer of employees

#### **4. LIMITATION ON FUNCTIONS**

Items relating to pay and conditions which are normally dealt with under other arrangements i.e. national agreements) shall be excluded from discussion. This process will not replace local negotiations where this is required to meet statutory or operational issues which the constituent Authorities consider necessary.

In addition, these arrangements will not replace any observer (or watching brief) afforded collectively to the recognised trade unions in any other forum.

#### **5. MEMBERSHIP**

The framework will be delivered by the HRG which consists of senior HR representation from each of the eight Constituent Authorities and Chair of the Programme Board(Challenge/Communications).The employee side will be represented from the regional and local officials of the recognised trade unions in the Constituent Authorities affected by the new unitary council(maximum of 8) At the time of this Agreement, the recognised trade unions are:-

- UNISON
- GMB
- TGWU
- UCATT
- UNITE

Both sides in agreement may co-opt other stakeholders affected by items in discussion.

**6. ADVISERS**

Advisers may be asked to attend meetings where specialist skills are required. An example of this could be a representative from North East Regional Employers.

**7. MEETINGS**

Regular meetings will be held as often as necessary heading up to April, 2009, but not less than one per month.

**SIGNED BY THE JOINT COMMITTEE**

**UNISON** .....

**GMB** .....

**TGWU** .....

**UCATT** .....

**UNITE** .....

**DATED:** .....



# **TRANSITION PLAN RISK REGISTER**

**JANUARY 2008 - APRIL 2009**



***Quality Public Services, Flourishing Communities, Capital City***

# TRANSITION PLAN RISK REGISTER

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# 1. Introduction

Since 2002 the City of Durham Council has developed and strengthened its risk management arrangements. In particular, over the last three years, the Risk Management Working Group has implemented an action plan to improve and embed risk management arrangements within the City of Durham Council. This included:

- ◆ the annual revision of the Risk Strategy and Policy
- ◆ the establishment of an action plan annually to mitigate the strategic risks with a quarterly review being undertaken
- ◆ the production of a Business Continuity Management Plan and its subsequent review
- ◆ the assessment of the training needs of Members and Officers
- ◆ the provision and completion of a training programme for Officers and Members
- ◆ the selection, procurement and installation of a computerised risk management system
- ◆ the establishment and review of service risk registers, identifying operational risks
- ◆ the production of quarterly reports on risk management activities to Cabinet and an annual report to Council
- ◆ the further development of service risk registers to introduce audit and health and safety risks
- ◆ the development of a professionally qualified risk officer

The Risk Management Working Group has undertaken regular evaluations of its arrangements with best practice recommended by both the Audit Commission and CIPFA. In June 2007, the Risk Management Working Group found that the Council now met 88% of all requirements and has plans to meet a further 10% during 2007/08.

The Council is now finding that there is a significant increase in the risks it faces, because of the government's decision to abolish the current two tier structure in County Durham and create a unitary authority on 1 April 2009. This Council will cease to exist on 31 March 2009. The government and the local authorities in County Durham are establishing arrangements to create this unitary authority, whilst maintaining Business as Usual. As part of this, the City of Durham Council has undertaken a thorough review of its aims, objectives, schemes, projects, plans and targets and has identified those which it still wishes to undertake and those that are no longer relevant in the short term. The Council has produced a Transition Plan, outlining the activities it will undertake before April 2009. As part of this, the Council has prepared this risk register, identifying the risks the Council faces, assessing their importance and recommending further controls to mitigate these risks.

This review was undertaken by OMT who:

- ◆ reviewed and reassessed all risks in the Strategic Risk Register on 5 February
- ◆ identified and evaluated the risks for this Council during the transition period, drawing on work undertaken by the Audit Commission
- ◆ prepared a Risk Register identifying:
  - the nature of the risk
  - links to strategic objectives
  - current controls
  - recommended actions
  - lead officers and councillors
  - review dates

OMT has now requested that the Risk Management Working Group undertake regular reviews of the Transition Plan Risk Register and monitor both the risks and the mitigating action being taken.

## 2. Methodology Assessment, Criteria and Limitations

### 2.1 Methodology

The methodology adopted for the project comprised the following stages:

- ◆ **Review of Existing Strategic Risks**
  - OMT has reviewed all existing strategic risks and the associated action plans
  - It considered the improvements actioned, further improvements needed and evaluated the current level of risk
  - OMT identified those risks that related to the short term i.e. before 1 April 2009 and recommended that only these be included in the Transition Plan Risk Register
- ◆ **Identification of New and Emerging Risks associated with Transition**

OMT identified new and emerging risks associated with transition. It drew on work undertaken by the Audit Commission and shared with all local authorities in County Durham. OMT decided to focus only on the risks to the Council, relating to the transition period before the abolition of the Council and also those risks to the Council, because of its commitment to Business as Usual. OMT took the decision not to include risks to the new unitary authority or its implementation programme.

◆ **Selection of all Risks for Evaluation**

OMT considered all identified risks. It decided to evaluate 26 strategic risks and 15 transitional risks, Thus, it considered 41 risks.

◆ **Evaluation of all Risks**

OMT reviewed the list of risks it was asked to consider, and then evaluated these risks using common assessment criteria. OMT then considered and discussed the results of the evaluation, before agreeing a final evaluation and identify the risks to be included in the Transition Plan Risk Register.

## **2.2 Assessment Criteria**

OMT decided to adopt the assessment criteria and methodology the Council uses to assess its strategic risks and to prepare the Strategic Risk Register. This methodology:

- ◆ shows the Inherent, Current and Residual (after risk control actions have been identified) Risk Scores
- ◆ incorporates the scoring mechanism having an overall impact score multiplied by likelihood
- ◆ assigns timescales for actions to be completed
- ◆ comprises the 5 x 5 Matrix as shown below
- ◆ maps all risks against a risk matrix, showing risks to be high (or red), medium (or amber) and low (or green). This is shown overleaf:

**Revised – Assessment of Risk Impact and Likelihood**

**Scoring criteria for impact**

**5 x 5 IMPACT**

Scale	Description	Financial Impact £500k seen as catastrophic threshold	Local Community	Regulatory non-compliance	Injury / Ill Health / Environmental Impairment
1	Negligible	Less than 10% of £500k	Little impact outside of the Council itself	Notification of non-compliance but no further action	Minor injuries (eg requiring first aid treatment only) or minor environmental incidents (eg contained spillage)
2	Minor	10 - 20% of £500k	Limited to a small percentage (<5%) and for short duration (< 3 months)	Local restrictions or minor fine	Single serious injury (eg requiring hospital treatment) or environmental incident (eg limited spillage into local watercourse)
3	Significant	20 – 50% of £500k	Larger percentage affected (5-10%) or small % for 3-6 months)	Action in local court. Substantive fine. Short term restriction on operations	Multiple serious injuries/single death or multiple serious incidents or single very serious incident (eg spillage with long lasting effects)
4	Major	50 -100% of £500k	Larger % affected (10-25%) or smaller group for more than 6 months)	Action in national court. Major fine. Major restrictions on operations	Multiple deaths / recurrent serious injuries / multiple 'very serious' incident
5	Catastrophic	>100% of £500k	>25% affected	Action in national court. Very major fine. Revocation of licence. Imprisonment of director(s)/senior employee(s)	Recurrent multiple deaths / serious incidents



## 2.3 Limitations

OMT does not claim to have identified an extensive list of potential risks. The register should be considered as a snapshot of the risk exposure of the Council's activities in time. As the operations and environment change, so will the risks and their relative significance.

# 3. Findings

## 3.1 Review of Existing Risk Register

OMT considered both the 30 red and amber risks identified in the strategic risk register and also the 7 green strategic risks identified in July 2007. OMT considered whether these risks related to the transition period and its plan or should be seen as medium to long term strategic risks. These medium to long term risks would not be included in the Transition Plan Risk Register. These 12 risks are listed below with their rank in the strategic register shown in brackets.

- ◆ Shared Services (5)
- ◆ Level of Pension Funds (7=)
- ◆ Climate Change, Environmental Sustainability (11)
- ◆ Social and Demographic Change (12)
- ◆ Implementation of new hardware and software systems (13=)
- ◆ Suitability and sustainability of property portfolio (excluding housing stock) (13=)
- ◆ Refuse Collection and Recycling Services (13=)
- ◆ Suitability/sustainability of housing stock (13=)
- ◆ Availability of Resources (24=)
- ◆ Impact of Regional Spatial Strategy (24=)
- ◆ Operational capacity to meet new initiatives (31=)
- ◆ City Care / Supporting People (34=)

The Council also reviewed the assessment of the risks in the strategic risk register. It identified one risk where mitigating action had been taken. Therefore, the risk had reduced substantially. This risk related to the management of sickness absence, where levels of sickness have reduced because of effective management.

Of the Council's current strategic risks:

- ◆ 5 appear in the top 7 risks identified in the Transition Plan
- ◆ 7 appear in the 16 red risks shown in the Transition Plan
- ◆ 15 appear in the 21 amber risks shown in the register
- ◆ 22 appear in the 37 red and amber risks included in the register
- ◆ 26 appear in the 41 risks identified as relating to the Transition Plan

Thus, the existing strategic risks appear prominently in the Transition Plan Risk Register.

OMT also discussed whether to include the existing strategic risk of change to the role and structure of local government, but decided to replace this with a more detailed analysis.

### **3.2 Identification of new and emerging risks during the transition period**

OMT discussed the risks that were likely to arise during the transition period. They drew on work undertaken by the Audit Commission which identified three types of risk. Those relating to 'demise of authorities', those relating to the establishment of a unitary authority and those relating to Business as Usual.

OMT decided not to assess risks relating to the establishment of a unitary authority, as they referred to the impact on the unitary or transitional authority, and not to the City Council. Risks relating to the unitary authority include:

- ◆ Establishment of good governance for the unitary authority
- ◆ Ability to comply with use of resources (unitary)
- ◆ Change in political membership of the unitary authority following elections in May 2008
- ◆ Appointment of Chief Executive and Senior Management of the unitary authority
- ◆ Co-ordination of Programme Boards / Workstreams
- ◆ Project Management of Implementation Programme
- ◆ Risk Management of Implementation Programme
- ◆ Availability of resources to support Implementation Programme
- ◆ Development of IT systems for unitary authority

Of the risks relating to the abolition of the Council and the need to maintain Business as Usual, OMT identified those risks already included in the Strategic Risk Register, such as emergency planning, and thereby ensured these were only assessed once.

There are 15 new and emerging risks of the 41 risks evaluated by OMT. All 15 are classified as red or amber risks and appear in the Transition Plan Risk Register. Of these 15 risks, 6 relate to Business as Usual and 9 to the abolition of the Council. Of these 15 risks:

- ◆ 3 appear in the top 7 risks
- ◆ 9 appear in the top 16 red risks
- ◆ 6 appear in the 21 amber risks

Thus, the risks relating to Business as Usual and the abolition of the Council are identified as being of medium or high risk and constitute 41% of all risks in the Transition Plan Risk Register.

### 3.3 Transition Plan Risk Register

The Transition Plan Risk Register is summarised in the table below:

Rank 5.2.07	Ref No.	Risk to be Evaluated	Evaluation									Current Status
			Current Risk			Integral Risk			Residual Risk			
			Impact	Like-lihood	Total	Impact	Like-lihood	Total	Impact	Like-lihood	Total	
1=	TR/E6	Sickness Absence	5	4	20	5	5	25	5	4	20	Red
1=	TR/F9	Potential failure to achieve capital receipts from land sales/RTBs	5	4	20	5	5	25	5	2	10	Red
1=	TR/A7	Service continuity/ business continuity management	5	4	20	5	5	25	5	4	20	Red
1=	TR/E10	Implementation of Single Status	4	5	20	5	5	25	4	5	20	Red
5=	TR/E18	Loss of staff	4	4	16	4	4	16	4	4	16	Red
5=	TR/A34	Meeting needs of public service users and staff	4	4	16	5	5	25	4	4	16	Red
7	TR/C13	Non compliance with Fire Order	5	3	15	5	4	20	5	1	5	Red
8=	TR/B2	Regeneration via DVRC	4	3	12	4	4	16	4	2	8	Red
8=	TR/A31	Adequacy of response to emergency situations	4	3	12	5	3	15	4	3	12	Red
8=	TR/E15	Loss of interest of staff	4	3	12	4	3	12	4	3	12	Red
8=	TR/F11	Rush to spend balances	4	3	12	5	5	25	4	2	8	Red
8=	TR/B22	Loss of knowledge/ data/experience	4	3	12	4	4	16	4	3	12	Red
8=	TR/F12	Inappropriate Decision making (future commitments)	4	3	12	5	5	25	4	2	8	Red
8=	TR/F13	Failure to safeguard and transfer assets	4	3	12	5	5	25	4	2	8	Red
15=	TR/C14	Breakdown in internal control and good governance	5	2	10	5	5	25	5	1	5	Red
15=	TR/C8	Public contract with asbestos and similar hazards	5	2	10	5	3	15	5	2	10	Red
17=	TR/E17	Need for unitary to revisit adjustments to staff terms and conditions	3	4	12	5	5	25	3	4	12	Amber



Rank 5.2.07	Ref No.	Risk to be Evaluated	Evaluation									Current Status
			Current Risk			Integral Risk			Residual Risk			
			Impact	Like- lihood	Total	Impact	Like- lihood	Total	Impact	Like- lihood	Total	
17=	TR/A35	Ability to meet LAA targets	3	4	12	3	5	12	3	4	12	Amber
17=	TR/B21	Changes to partnership arrangements	3	4	12	3	4	12	3	4	12	Amber
20=	TR/E14	Management of Equality and Diversity (employees)	3	3	9	4	4	16	4	2	8	Amber
20=	TR/B20	Partnerships	3	3	9	3	3	9	2	2	4	Amber
20=	TR/A21	Development and construction of Swimming Pool	3	3	9	4	3	12	3	3	9	Amber
20=	TR/E13	Management of Equalities and Diversity (service)	3	3	9	3	4	12	3	3	9	Amber
20=	TR/A23	Regenerating Durham City – The Vision	3	3	9	3	4	12	3	3	9	Amber
25=	TR/B14	Customer Services	4	2	8	4	3	12	4	2	8	Amber
25=	TR/B7	Leisure Services	2	4	8	3	5	15	2	3	6	Amber
27=	TR/A33	Loss of interest of Members	3	2	6	3	2	6	3	2	6	Amber
27=	TR/E16	Adjustment to staff terms and conditions (long term implications)	3	2	6	5	5	25	3	2	6	Amber
29=	TR/E8	Non compliance with health and safety legislation	5	1	5	5	5	25	5	1	5	Amber
29=	TR/C12	Not understanding and implementing changes to legislation	5	1	5	5	5	25	5	1	5	Amber
31=	TR/D9	IT Disaster Recovery	4	1	4	5	1	5	3	1	3	Amber
31=	TR/D7	Management of contaminated land	4	1	4	4	1	4	4	1	4	Amber
31=	TR/A28	Influenza Pandemic	4	1	4	5	1	5	4	1	4	Amber
31=	TR/A32	Loss of Members	4	1	4	4	1	4	4	1	4	Amber
35=	TR/A36	Effective risk management	3	1	3	4	4	16	3	1	3	Amber
35=	TR/F14	Effective financial management	3	1	3	4	4	16	3	1	3	Amber
35=	TR/A37	Effective performance management	3	1	3	4	4	16	3	1	3	Amber

The Register contains:

- ◆ 11 strategic (A) risks
- ◆ 6 service delivery (B) risks
- ◆ 4 legal and liability claims (C) risks
- ◆ 2 operational management (D) risks
- ◆ 9 human resources (E) risks
- ◆ 5 financial (F) risks

It includes only red and amber risks. Of these 37 risks, 22 appear in the strategic risk register, 6 relate to the Council's commitment to Business as Usual and 9 relate to the impact of the abolition of the Council.

The Council's risk assessment allows the Council to measure its success in managing risks and to evaluate the impact of its future plans on mitigating risks. risks can now be mapped against a risk matrix. Integral, current and residual risks can be shown in the separate matrices and by comparing these the Council can identify those risks which it will be difficult to mitigate and focus its attentions on those risks that can be more effectively controlled. It also allows the Council to demonstrate the progress it has made in mitigating risks over time.

The matrix below maps the integral risks:

### Mapping of integral risks to risk matrix

<b>Impact Severity</b>	<b>Catastrophic</b>	TRD9, TRA28		TRA31, TRB7, TRC8	TRC13, TRC8	TRE6, TRA7, TRE17, TRF9, TRE10, TRE8, TRE16, TRA34, TRF11, TRC12, TRC14, TRF12, TRF13
		TRD7, TRA32		TRE15, TRA21, TRB14, TRB21, TRA10	TRB22, TRC11, TRE18, TRB2, TRE14, TRA6, TRC11, TRA36, TRF14, TRA37	
			TRA33	TRB20	TRA35, TRE13, TRA23	
	<b>Low</b>					
		<b>Remote</b>	<b>Likelihood</b>			<b>Almost certain</b>

It clearly shows that all the Council’s identified risks are red or amber, with the majority being red.

The next matrix maps the same risks as they currently stand with mitigating actions in place.

### Mapping of current risks to risk matrix

<b>Impact Severity</b>	<b>Catastrophic</b>	TRE8, TRC12	TRC8, TRC14	TRC13	TRE6, TRA7, TRF9	
	TRD9, TRA32, TRD7, TRA28	TRB14	TRB2, TRA31, TRE15, TRF11, TRB22, TRF12, TRF13	TRE18, TRA34	TRE10	
	TRA36, TRF14, TRA37	TRA33, TRE16	TRE14, TRB20, TRA21, TRE13, TRA23	TRE17, TRA35, TRB21		
	<b>Low</b>		TRB21, TRA6		TRB7	
		TRA10	TRC11			
		<b>Remote</b>	<b>Likelihood</b>			<b>Almost certain</b>

A comparison of the two matrices shows that a significant change has taken place. The Council now has 16 of these shown as red, with none achieving the highest ranking. The majority of its risks are now classed as amber. Of these risks, 4 are classed as low or green risks. This shows the effectiveness of the controls the Council has put in place to manage these risks. It also reflects the effectiveness of the Council’s governance arrangements

The Council can also map or chart the same risks after it has put in place all proposed measures or controls. These are residual risks and are shown overleaf:

### Mapping of residual risks to risk matrix

<b>Impact Severity</b>	<b>Catastrophic</b>	TRC13, TRE8, TRC12, TRC14	TRF9, TRC8		TRE6, TRA7	
	TRD7, TRA28, TRA32	TRB2, TRF11, TRF12, TRE14, TRF13, TRB14	TRA31, TRE15, TRB22	TRE18, TRA34, TRB32	TRE10	
	TRD9, TRA36, TRF14, TRA37	TRA33, TRE16	TRA21, TRE13, TRA23	TRE17, TRA35, TRB21		
		TRB20, TRB21, TRA6	TRB7			
	<b>Low</b>	TRA10	TRC11			
	<b>Remote</b>	<b>Likelihood</b>			<b>Almost certain</b>	

This demonstrates the planned effectiveness of the measures the Council proposes to take. The Council has not yet put in place all measures. This planned action will reduce the number of red risks and their impact. There will also be a reduction in the potential impact and likelihood for many risks. The number of green risks will increase only slightly. The evaluation does demonstrate that for some risks robust controls exist. It is possible that the Council can further mitigate risks inherent in the transition year before the establishment of a new unitary authority. It also demonstrates the strength of the new arrangements being put in place jointly by all County Durham local authorities to manage the implementation programme. However, there are few measures the Council can take to mitigate some risks, and they remain essentially outside the control of this Council and all local authorities in County Durham.

The following provides additional information in relation to the top 6 risks.

**Risk 1 =      Sickness Absence**

It is not surprising that this continues to be among the most significant risks. The City Council has in recent years put in place systems to reduce the levels of sickness absence and has drawn considerable attention to the costs of sickness absence. The Council's historic levels of sickness absence are high being in the upper quartile.

Nationally, considerable publicity has been devoted to the level and costs of sickness absence in the public sector, and it has been identified as a key target in the Gershon 'Efficiency' Review. Though controls have been strengthened in recent years, further measures have been put in place to improve control systems and reduce the levels of sickness absence.

**Risk 1= Service Continuity / Business Continuity Management during transition**

From January 2008 the City of Durham, like all councils in County Durham, is committed to maintaining Business as Usual, whilst at the same time participating in the establishment of a unitary authority. The Council's ability to conduct Business as Usual is likely to be affected by the loss of staff, lack of motivation of members and staff, a requirement to second staff to take part in Programme Boards and Workstreams, the ability to let short term contracts on reasonable terms and the need to take a short term view and avoid any longer term impact on the unitary authority.

**Risk 1= Potential failure to achieve capital receipts from land sales / RTBs**

Then Council's capital investment plans and programmes are heavily dependent upon its ability to generate capital financing resources through capital receipts, both from the sale of land the from the sale of council houses (RTBs). In recent months, the number of council houses sold has fallen significantly. The Council's proposed disposals of land are not proceeding as planned because of delays in the marketing and sale of land and in the submission (and approval) or planning applications. The sale of both land and council houses is affected by both the demand for housing and its affordability. The housing market is heavily influenced by economic trends, most notably the level of interest rates. These have risen significantly over the last year.

**Risk 1= Implementation of Single Status**

The implementation of an integrated pay and benefits structure for all public sector employees (Single Status) is a key central government agenda item. All public sector organisations are required to complete 'job evaluations' for all position, and to link those evaluations to an integrated pay and benefits structure. In practice, this is likely to mean that some employees will benefit but that others will lose. This initiative will potentially have a very significant impact on the Council's relationships with its employees, both individually and as represented collectively by the Trade Unions. There is potential for individual and/or collective equal pay claims. There will be pressure on the Council's resources to achieve this during 2008/09.

**Risk 5= Loss of Staff**

The City of Durham has for many years enjoyed a low level of staff turnover. This provides continuity, allows staff to build an extensive knowledge of their services, and their customers, build a network of contacts among colleagues and stakeholders and take a medium to long term view of the business. The establishment of a unitary authority, and in particular the transition period, inevitably causes staff to consider their futures. The Council is also experiencing higher levels of staff turnover. At the same time, because of the plans for staff reductions due to the merger of existing authorities, the local authorities are reluctant to appoint new staff, particularly in corporate and managerial positions. The need to create a unitary authority is also placing pressure on staff resources, as staff are naturally eager to play a full role in shaping future services in County Durham.

Both demands and the constraints on recruitment will jeopardise the Council's ability to meet its objectives.

**Risk 5= Meeting needs of public, services users and staff**

From January to April 2009, and indeed during the initial years of the new unitary authority, Members and staff will be focussing on establishing a new unitary authority, merging services, systems and staff. At the same time, all authorities will wish to continue to meet the needs and expectations of the public, service users, partners and staff. This will present a challenge, and there is a risk that for some years, the authority(ies) will struggle to balance the complex demands on their stakeholders and to identify acceptable service standards for all areas of County Durham (which currently enjoy differing levels of service provision). There is also a slight danger that the authority may become internally focussed, concentrating on its structures, systems and processes, rather than look outwards and engage with its local communities and partners. This could lead to reputational damage and legal claims against the councils.

In assessing all risks, the Transition Plan Risk Register identifies the strategic objectives each risk affects, a lead officer for each risk and the review date.

## 4. List of Key Recommendations

The following list of recommendations have been produced by Lead Officers and OMT. Current controls and the scope for further improvement have been discussed and assessed.

RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
1=	<b>Sickness Absence</b>	5	4	20
<ul style="list-style-type: none"> <li>◆ Continued review of sickness levels and counselling</li> <li>◆ Achievement of Gold Health Award by December 2007</li> </ul>				
1=	<b>Potential failure to achieve expected Capital Receipts from land sales/RTBs</b>	5	4	20
<ul style="list-style-type: none"> <li>◆ Ensure that capital receipts are appropriately and effectively “ring fenced” to individual schemes and control individual investments via the use of these dedicated resources</li> </ul>				
1=	<b>Service Continuity / Business Continuity Management during transition</b>	5	4	20
<ul style="list-style-type: none"> <li>◆ Programme Board to finalise protocols and guidance during transition period</li> <li>◆ Complete review of existing Business Continuity Plan</li> <li>◆ Provide further training in Business Continuity Awareness / Management for staff</li> <li>◆ Establish further monitoring arrangements for Transition Plan Risk Register</li> </ul>				
1=	<b>Implementation of “Single Status”</b>	4	5	20
<ul style="list-style-type: none"> <li>◆ Complete its Job Evaluation Exercise</li> <li>◆ Undertake a Pay and Reward Review.</li> <li>◆ Performance manage the nationally agreed date for implementation.</li> </ul>				
5=	<b>Loss of Staff</b>	4	4	16
<ul style="list-style-type: none"> <li>◆ Continual review of workload of Council</li> <li>◆ Continual review of Programme Boards of workstreams and work programmes</li> <li>◆ Establish monitoring arrangements for Transition Plan</li> </ul>				
5=	<b>Meeting needs of public, service users and staff</b>	4	4	16
<ul style="list-style-type: none"> <li>◆ Monitoring of Transition Plan</li> <li>◆ Implementation of Communications Protocols by all authorities</li> <li>◆ Negotiation and finalisation of LAA and Sustainable Community Strategy</li> </ul>				
7	<b>Non Compliance with Fire Order</b>	5	3	15
<ul style="list-style-type: none"> <li>◆ Continue with current initiatives</li> </ul>				
8=	<b>Regeneration via Durham Villages Regeneration Company</b>	4	3	12
<ul style="list-style-type: none"> <li>◆ Continue to negotiate robust legal agreements, which minimise the risk to the Council</li> <li>◆ Continue to monitor regularly estimated and actual DVRC dividends and receipts</li> </ul>				

RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
8=	<b>Adequacy of response to emergency situations</b>	4	3	12
<ul style="list-style-type: none"> <li>◆ Continue to improve existing arrangements</li> </ul>				
8=	<b>Loss of interest of staff</b>	4	3	12
<ul style="list-style-type: none"> <li>◆ Continue communications with staff and Trade Unions</li> <li>◆ Expected Implementation Orders covering Human Resources</li> <li>◆ Development of Human Resources policies and processes for new authority by HR Workstream</li> </ul>				
8=	<b>Rush to spend balances</b>	4	3	12
<ul style="list-style-type: none"> <li>◆ Development and implementation of monitoring arrangements for Transition Plan</li> <li>◆ Establishment by government of Implementation Orders and development of subsequent guidance by Senior Officers Group</li> </ul>				
8=	<b>Loss of knowledge / data / experience</b>	4	3	12
<ul style="list-style-type: none"> <li>◆ Review and implementation of Documents Policy</li> <li>◆ Complete registration of land and property to Land Registry</li> <li>◆ Continue to maintain key registers e.g. Contracts and Partnerships</li> <li>◆ Follow guidance of County Archivist</li> <li>◆ Establish handover arrangements as staff leave to transfer information</li> </ul>				
8=	<b>Inappropriate decision making (future commitments)</b>	4	2	8
<ul style="list-style-type: none"> <li>◆ Establishment of Implementation Orders by central government and guidance by Senior Officers Group</li> <li>◆ Monitoring of Transition Plan</li> </ul>				
8=	<b>Failure to safeguard and transfer assets</b>	4	3	12
<ul style="list-style-type: none"> <li>◆ Complete registration of land with Land Registry</li> <li>◆ Review all inventories of equipment</li> <li>◆ Establish procedures for transfer of equipment</li> </ul>				
15=	<b>Breakdown of internal control and good governance</b>	5	2	10
<ul style="list-style-type: none"> <li>◆ Maintain existing arrangements</li> </ul>				
15=	<b>Public contact with asbestos, water hygiene &amp; similar hazards</b>	5	2	10
<ul style="list-style-type: none"> <li>◆ Continue to undertake risk assessments</li> </ul>				
17=	<b>Need to unitary authority to revisit adjustments to staff terms and conditions</b>	3	4	12
<ul style="list-style-type: none"> <li>◆ Establishment of Implementation Orders by central government and supplementary guidance by Senior Officers Group</li> </ul>				



RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
17=	<b>Ability to meet LAA targets</b>	3	4	12
<ul style="list-style-type: none"> <li>◆ Complete negotiation of LAA with GONE</li> <li>◆ Seek formal approval for new LAA</li> <li>◆ Review performance management arrangements and ensure new targets are included</li> </ul>				
17=	<b>Changes to partnership arrangements</b>	3	4	12
<ul style="list-style-type: none"> <li>◆ Work with all local authorities and partners to ensure a smooth transition for these arrangements</li> </ul>				
20=	<b>Management of Equality and Diversity (Employee)</b>	3	3	9
<ul style="list-style-type: none"> <li>◆ Establish formal partnership (Durham Equality and Diversity Partnership) with other public sector bodies in County Durham</li> <li>◆ Ensure Equal Employment &amp; Pay via Equality</li> <li>◆ Continue with Equalities Training Strategy</li> </ul>				
20=	<b>Partnerships</b>	3	3	9
<ul style="list-style-type: none"> <li>◆ Production of an action plan to review existing arrangements</li> <li>◆ Creation of an electronic partnership register, identifying partnership, the benefits, the risks and the exit strategies</li> <li>◆ Evaluation of all partnerships including options appraisal and market testing</li> </ul>				
20=	<b>Development and Construction of New Swimming Pool</b>	3	3	9
<ul style="list-style-type: none"> <li>◆ Secure planning permission for sites transferred to DVRC</li> <li>◆ Finalise costs and funds for the scheme</li> </ul>				
20=	<b>Management of Equality and Diversity (Service)</b>	3	3	9
<ul style="list-style-type: none"> <li>◆ Establish a formal partnership (Durham Equality and Diversity Partnership) with other public sector bodies in County Durham</li> <li>◆ Carry out Impact &amp; Needs Requirement Assessments (NRA)</li> <li>◆ Ensure Quality and Diversity in Procurement</li> <li>◆ Continue with Equalities Training</li> </ul>				
20=	<b>Regenerating Durham City – The Vision</b>	3	3	9
<ul style="list-style-type: none"> <li>◆ Continue to provide a clear community engagement with the proposed Urban Development Framework and Master Plan and seek community sign up and ownership to the emerging projects</li> <li>◆ Continue to ensure that Events and Arts implementation are delivered by a cross cutting partnership throughout the City, tied to the Political Vision, Performance Plan and Community Plan objectives</li> <li>◆ Continue to ensure that Durham City acts as a regenerative and economic driver for the sub region by engaging with the commercial sectors of the City and generating greater visitor spend.</li> <li>◆ Continue to ensure the conservation and enhancement of the historic environment of the City and its setting, and bringing new uses to under utilised parts of the riverbanks.</li> <li>◆ Continue to use partnership working to enables a best practice approach to the management of the World Heritage Site and dissemination of the same.</li> <li>◆ Consider the creation of a private and public partnership organisation to assist in the implementation of the Master Plan over the next 10 years by creating a new company derived from the existing partnership</li> <li>◆ Consider the creation of a new delivery vehicle to separate the duties of the local planning authority and the aspirations of the Visioning Project</li> </ul>				

RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
25=	<b>Customer Services</b>	4	2	8
<ul style="list-style-type: none"> <li>◆ Ongoing review of working practices to make best use of staff time</li> <li>◆ Individual staff monitoring has been introduced on a daily/weekly basis</li> <li>◆ Consideration of skills based progression – further discussion needed with Human Resources.</li> <li>◆ Shared training takes place with other Local Authorities</li> <li>◆ Continue the development of the County-wide CRM</li> </ul>				
25=	<b>Leisure Services</b>	2	4	8
<ul style="list-style-type: none"> <li>◆ Identify sources of investment funds / potential partners</li> </ul>				
27=	<b>Loss of interest of Members</b>	3	2	6
<ul style="list-style-type: none"> <li>◆ Continue to maintain existing arrangements</li> </ul>				
27=	<b>The long term implications of adjustment to staff terms and conditions</b>	5	5	25
<ul style="list-style-type: none"> <li>◆ Implementation Orders, governing transfer of staff and long term commitments and guidance of SOG, is anticipated</li> </ul>				
29=	<b>Non compliance with Health and Safety Legislation</b>	5	1	5
<ul style="list-style-type: none"> <li>◆ Complete the audit of the Councils' systems.</li> <li>◆ Review the Councils' Health and Safety Policy.</li> <li>◆ Provide appropriate training.</li> <li>◆ Improve communication.</li> </ul>				
29=	<b>Not understanding and implementing changes in legislation</b>	5	1	5
<ul style="list-style-type: none"> <li>◆ Continue to monitor legislative changes</li> </ul>				
31=	<b>IT Disaster Recovery</b>	4	1	4
<ul style="list-style-type: none"> <li>◆ Consider installation of Inergen fire suppressant system for server room and annex</li> <li>◆ Consider installation of more robust alarm entry system and motion detectors</li> <li>◆ Longer term – Consider the relocation of the Councils IT Server room to a more flexible office location with purpose built fire retardant and air conditioning facilities. New building should also be away from City Centre location and server room should ideally be below ground for increased security and improved environmental controls</li> <li>◆ All future projects involving or requiring an IT element (i.e. a server) need to be co-ordinated with IT during the budget process to ensure that a disaster recovery server(s) is specified and built into the total project cost (if required)</li> <li>◆ Implement current ICT Disaster Recovery Plans</li> <li>◆ Review Business Continuity Management Plans</li> </ul>				

RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
31=	<b>Management of Contaminated Land</b>	4	1	4
<ul style="list-style-type: none"> <li>◆ Prioritise areas of land identified in “Achieving the Vision” and then other land owned by the Council</li> </ul>				
31=	<b>Influenza Pandemic</b>	4	1	4
<ul style="list-style-type: none"> <li>◆ Production of HR policies and procedures in the event of a pandemic</li> <li>◆ Production of continuity plans for key critical services</li> <li>◆ Participation in exercises</li> </ul>				
31=	<b>Loss of Members</b>	4	1	4
<ul style="list-style-type: none"> <li>◆ None</li> </ul>				
35=	<b>Effective Risk Management</b>	3	1	3
<ul style="list-style-type: none"> <li>◆ Establish regular monitoring of risks in Transition Plan Risk Register</li> <li>◆ Complete integration of health and safety risks and risk assessments into operational risk registers</li> </ul>				
35=	<b>Effective financial management</b>	3	1	3
<ul style="list-style-type: none"> <li>◆ Continue to maintain existing arrangements</li> </ul>				
35=	<b>Effective performance management</b>	3	1	3
<ul style="list-style-type: none"> <li>◆ Update and shorten business plans to reflect Transition Plan</li> <li>◆ Maintain existing arrangements</li> </ul>				

## **5. Future Action**

The Risk Management Working Group must now establish a detailed action plan to mitigate these risks, identifying both the resources required the key officers and the timescales. It will pay particular attention to the new risks and those existing risks where the level of risk has either increased or remained unchanged. This will be completed by April 2008.

The Risk Management Working Group will continue to review the register bi-monthly, monitor progress made in mitigating risk and undertake a formal comprehensive review annually.

## **6. Risks**

The City Council's risk register identifies the current risks during the transition period. Failure to implement the actions identified will jeopardise the achievement of the Council's objectives, and inevitably affect all aspect of its operations and, thus, the public it serves.

## **7. Review, Performance and Monitoring**

The Risk Management Working Group will review the risk register bi-monthly and in so doing monitor action taken to mitigate risks.

The Risk Management Working Group will report quarterly to Cabinet on its activities. Minutes of the monthly meetings will be submitted to OMT. This report will incorporate the management of the risks identified in this Transition Plan Risk Register.

# APPENDIX A

## TRANSITION PLAN RISK REGISTER

Rank 5.2.07	Ref No.	Risk to be Evaluated	Evaluation									Current Status
			Current Risk			Integral Risk			Residual Risk			
			Impact	Like- lihood	Total	Impact	Like- lihood	Total	Impact	Like- lihood	Total	
1=	TR/E6	Sickness Absence	5	4	20	5	5	25	5	4	20	Red
1=	TR/A7	Service continuity/ business continuity management	5	4	20	5	5	25	5	4	20	Red
1=	TR/F9	Potential failure to achieve capital receipts from land sales/RTBs	5	4	20	5	5	25	5	2	10	Red
1=	TR/E10	Implementation of Single Status	4	5	20	5	5	25	4	5	20	Red
5=	TR/E18	Loss of staff	4	4	16	4	4	16	4	4	16	Red
5=	TR/A34	Meeting needs of public service users and staff	4	4	16	5	5	25	4	4	16	Red
7	TR/C13	Non compliance with Fire Order	5	3	15	5	4	20	5	1	5	Red
8=	TR/B2	Regeneration via DVRC	4	3	12	4	4	16	4	2	8	Red
8=	TR/A31	Adequacy of response to emergency situations	4	3	12	5	3	15	4	3	12	Red
8=	TR/E15	Loss of interest of staff	4	3	12	4	3	12	4	3	12	Red
8=	TR/F11	Rush to spend balances	4	3	12	5	5	25	4	2	8	Red
8=	TR/B22	Loss of knowledge/ data/experience	4	3	12	4	4	16	4	3	12	Red
8=	TR/F12	Inappropriate Decision making (future commitments)	4	3	12	5	5	25	4	2	8	Red
8=	TR/F13	Failure to safeguard and transfer assets	4	3	12	5	5	25	4	2	8	Red
15=	TR/C8	Public contract with asbestos and similar hazards	5	2	10	5	3	15	5	2	10	Red
15=	TR/C14	Breakdown in internal control and good governance	5	2	10	5	5	25	5	1	5	Red
17=	TR/E17	Need for unitary to revisit adjustments to staff terms and conditions	3	4	12	5	5	25	3	4	12	Amber

Rank 5.2.07	Ref No.	Risk to be Evaluated	Evaluation									Current Status
			Current Risk			Integral Risk			Residual Risk			
			Impact	Like- lihood	Total	Impact	Like- lihood	Total	Impact	Like- lihood	Total	
17=	TR/A35	Ability to meet LAA targets	3	4	12	3	5	12	3	4	12	Amber
17=	TR/B21	Changes to partnership arrangements	3	4	12	3	4	12	3	4	12	Amber
20=	TR/E14	Management of Equality and Diversity (employees)	3	3	9	4	4	16	4	2	8	Amber
20=	TR/B20	Partnerships	3	3	9	3	3	9	2	2	4	Amber
20=	TR/A21	Development and construction of Swimming Pool	3	3	9	4	3	12	3	3	9	Amber
20=	TR/E13	Management of Equalities and Diversity (service)	3	3	9	3	4	12	3	3	9	Amber
20=	TR/A23	Regenerating Durham City – The Vision	3	3	9	3	4	12	3	3	9	Amber
25=	TR/B14	Customer Services	4	2	8	4	3	12	4	2	8	Amber
25=	TR/B7	Leisure Services	2	4	8	3	5	15	2	3	6	Amber
27=	TR/A33	Loss of interest of Members	3	2	6	3	2	6	3	2	6	Amber
27=	TR/E16	Adjustment to staff terms and conditions (long term implications)	3	2	6	5	5	25	3	2	6	Amber
29=	TR/E8	Non compliance with health and safety legislation	5	1	5	5	5	25	5	1	5	Amber
29=	TR/C12	Not understanding and implementing changes to legislation	5	1	5	5	5	25	5	1	5	Amber
31=	TR/D9	IT Disaster Recovery	4	1	4	5	1	5	3	1	3	Amber
31=	TR/D7	Management of contaminated land	4	1	4	4	1	4	4	1	4	Amber
31=	TR/A28	Influenza Pandemic	4	1	4	5	1	5	4	1	4	Amber
31=	TR/A32	Loss of Members	4	1	4	4	1	4	4	1	4	Amber
35=	TR/A36	Effective risk management	3	1	3	4	4	16	3	1	3	Amber
35=	TR/F14	Effective financial management	3	1	3	4	4	16	3	1	3	Amber
35=	TR/A37	Effective performance management	3	1	3	4	4	16	3	1	3	Amber

REFERENCE	TR/E6			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
1=	Sickness Absence	5	4	20
<b>Background Information / Description</b>				
<p><b><u>SICKNESS ABSENCE</u></b></p> <ul style="list-style-type: none"> <li>◆ Sickness Absence in Durham and wider Public Sector continues to be problematic.</li> <li>◆ Actual (2006/2007) at 12.13 days in Lower Quartile, with improvement in April to December 2007</li> <li>◆ Target 2007/2008 –6 days</li> <li>◆ Gershon Review highlights need to address issue</li> <li>◆ National Employer proposals to review sick payments</li> </ul> <p><b><u>EARLY RETIREMENT</u></b></p> <ul style="list-style-type: none"> <li>◆ Government White Paper recognises Pensions must change.</li> <li>◆ Longlife/Demographic changes influence need for change</li> <li>◆ LGPS currently under review-October 2006 will see new proposals</li> <li>◆ Move from scheme that facilitates Early Retirement to scheme that encourages people to stay in work longer</li> </ul>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<p><b><u>SICKNESS ABSENCE</u></b></p> <ul style="list-style-type: none"> <li>◆ Corporate Sickness Absence procedures</li> <li>◆ Quarterly monitoring at Performance Clinic</li> <li>◆ H.R. Steering Group</li> <li>◆ Comprehensive reporting information via payroll/D.H.S.</li> <li>◆ Included in Annual Audit plan</li> <li>◆ Subject of Scrutiny Committee report/Review October 2006</li> <li>◆ Implementation of 24 hour interactive reporting system for reporting sickness absence</li> <li>◆ Introduction of targets for Heads of Service</li> <li>◆ Detailed scrutiny of sickness trends of those with high levels of sickness</li> <li>◆ Review of sickness absence procedures by Scrutiny Panel</li> </ul> <p><b><u>EARLY RETIREMENT</u></b></p> <ul style="list-style-type: none"> <li>◆ Applications scrutinised/approved by OMT&amp; Cabinet</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continued review of sickness levels and counselling</li> <li>◆ Achievement of Gold Health Award by December 2007</li> </ul>				
<b>Responsibility</b>		<b>Review Date</b>		
OMT / DCS		March 2008		

REFERENCE	TR/F9			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
1=	<b>Potential failure to achieve expected Capital Receipts from land sales/RTBs</b>	5	4	20
<b>Background Information / Description</b>				
<ul style="list-style-type: none"> <li>◆ The Council's capital investment plans and programmes are heavily dependent upon its ability to generate capital financing resources through capital receipts. Historically, the majority of capital receipts have come from the sale of Council Houses under the Right to Buy and a buoyant housing market, together with stable and low interest rates in recent years, meant that the number and value of RTB receipts increased significantly. However, in January 2005 the rules regarding discounts were changed and a maximum discount introduced. This has had a dramatic impact on the number of RTB completions in recent years and this trend is expected to continue</li> <li>◆ The Council is able to use specified proportions of the capital receipts it generates from the sale of its assets; these are 25% from the sale of Council housing and 100% from the sale of all General Fund assets. In addition, from 1 April 2004, the Council is now allowed to use 100% of capital receipts generated from the sale of housing land, provided a suitable resolution has been passed by the Council and the receipts generated from these sales is earmarked for affordable housing and/or regeneration initiatives</li> <li>◆ Whilst the Prudential Framework, introduced w.e.f. 01/04/04, removed capital controls and gave the Council the ability to borrow to finance its capital investments, the actual scope of this is limited in many respects as the costs of borrowing must be met from revenue and the Government retains tight controls over the Council's levels of both housing rents (which are set in line with a national formula) and Council Tax (which is controlled via capping of authorities who's Council Tax increases are above nationally set guidelines)</li> <li>◆ The Council's capital programmes and investment plans over the next few years are ambitious. The "Achieving the Vision" report (May 2005) and subsequently updated Corporate Capital Strategy and Asset Management Plans set out proposals to construct a new Swimming Pool; relocate more staff to Meadowfield (through the construction of a second purpose built office); abandon and sell Byland Lodge; renovate 17 Claypath; and continued investment in the Flourishing Communities Fund and a series earmarked Community Investment Funds.</li> <li>◆ In order to finance these plans the Council is strategically managing (through a land release programme – which is currently being formalised) the realisation of significant areas of its land holdings. This will continue to be through a combination of transferring some of this to the Durham Villages Regeneration Company and selling other areas on the open market. The development of land released will be strictly controlled via planning and the use of the land will include the construction of affordable and social housing</li> <li>◆ The DVRC is jointly owned by the City Council and Keepmoat Plc and dividends earned from the land developed are shared on an annual basis. Significant levels of dividends were received in 2004/05 and 2005/06 and this is expected to continue over the medium term. The 2007/08 and 2008/09 revenue budgets provide (on a non-recurring basis) for a dividend of £750,000 – this is offset against non-recurring revenue expenditure for prudence purposes</li> <li>◆ Where land is transferred to the DVRC the risks and problems encountered by the Council and the company itself are in respect of cash flows, in that these arrangements tend to be that the DVRC facilitates the building of a facility for the Council to the value of the land transferred and realises this only on completion</li> <li>◆ The value of receipts generated from both RTB's and from Land Sales is very much dependent on the economy (interest rates etc.) and the buoyancy of the housing market in particular. There is a clear need to balance demand for housing against the availability of land</li> <li>◆ None of the Council's housing land holdings are held in the balance sheet at 31/03/07, as when they were valued a number of years ago, they were deemed to be below the deminimis level (£20K). It is uncertain what the level of potential receipts really is and the balance sheet may be significantly understated at 31/03/07</li> </ul>				
/Cont'd . . .				



REFERENCE	TR/F9			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
1=	Potential failure to achieve expected Capital Receipts from land sales/RTBs	5	4	20
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ The Council is completing, on a phased basis, village appraisals to establish which land holdings could be developed and to consider options for that development. Once identified as an area for potential sale / development the land is then valued and an appropriate marketing strategy established</li> <li>◆ The Council's Capital Works Steering Group considers capital spend and financing on a monthly basis. This is also considered by OMT and Cabinet on a quarterly basis</li> <li>◆ The Corporate Capital Strategy and Asset Management Plans have been reviewed and amended to reflect the Achieving the Vision Report and a Medium Term Financial Plan has been approved by Cabinet/Council in September 2006. The Council's Transition Plan incorporates its Capital Strategy and Asset Management Plan from January 2008 – April 2009</li> <li>◆ Significant progress has been achieved in relation to the key priority of constructing a new Swimming Pool and the financing of this project is now in place.</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Ensure that capital receipts are appropriately and effectively "ring fenced" to individual schemes and control individual investments via the use of these dedicated resources</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
OMT / Executive Director / DFS			March 2008	

REFERENCE	TR/A7			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
1=	<b>Service Continuity / Business Continuity Management during transition</b>	5	4	20
<b>Background Information / Description</b>				
<p>From January 2008 to April 2009 the City of Durham, like all councils in County Durham, is committed to maintaining 'Business as Usual', whilst at the same time participating in the establishment of a unitary authority. In order to achieve this, the Council will need to ensure that it has put in place robust service continuity and business management arrangements during the transition period.</p> <p>The Council's ability to conduct Business as Usual during the transition period could be affected by the following:</p> <ul style="list-style-type: none"> <li>◆ Loss of staff through resignation, retirements etc.</li> <li>◆ Inability to recruit replacements and so fill vacancies</li> <li>◆ Lack of motivation of Members and staff</li> <li>◆ Requirement to second staff to take part in the Programme Boards and Workstreams to create the new authority</li> <li>◆ Ability to procure goods and services and let contracts on reasonable terms to suppliers, given the possible short life</li> <li>◆ Requirement to take a short term view in decision making and avoid, where possible, any longer term impact on the unitary authority</li> </ul> <p>The Council has established for some years a Risk Management Working Group and has prepared a Business Continuity Plan. Many staff have been trained in Business Continuity. The Council also has robust risk management arrangements, the Senior Officers and Member Groups, co-ordinating the implementation programme, are preparing guidance on the requirement to seek approval when letting contracts etc. Human Resources Protocols and Business as Usual Protocols are also being agreed.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Programme Board arrangements established such as G8, the JIT and the SOG</li> <li>◆ Guidance being prepared by Programme Board and Workstreams</li> <li>◆ Existing Business Continuity Plan</li> <li>◆ Staff trained in Business Continuity arrangements</li> <li>◆ Robust Risk Management arrangements</li> <li>◆ Transition Plan Risk Register in place</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Programme Board to finalise protocols and guidance during transition period</li> <li>◆ Complete review of existing Business Continuity Plan</li> <li>◆ Provide further training in Business Continuity Awareness / Management for staff</li> <li>◆ Establish further monitoring arrangements for Transition Plan Risk Register</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
OMT / ExD / DSS			March 2008	

REFERENCE	TR/E10			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
1=	Implementation of "Single Status"	4	5	20
<b>Background Information / Description</b>				
<p>The implementation of an integrated pay and benefits structure for all public sector employees ("Single Status") is a key Central Government agenda item. All public sector organisations are being required to complete "job evaluations" for all positions and to link these evaluations to an integrated pay and benefits structure.</p> <p>In practice, this is likely to mean that some employees will benefit from increased pay etc. but that others will lose (albeit they will be offered protection for three years). This is obviously potentially very sensitive. There may be particular sensitivities surrounding those cases where employees have historically received bonus payments.</p> <p>The Council will be required to set a pay spine – if the pay spine is set "low" this would be likely to exacerbate existing staff recruitment and retention concerns. On the other hand, setting the spine higher than is currently the overall case, will potentially feed through into higher levels of Council Tax, obviously a concern from the political perspective.</p> <p>The initiative also potentially has a very significant impact on the Council's relationship with its employees both individually and as represented collectively by the Trade Unions. On an individual basis, cases will need to be handled carefully particularly where conclusions of job evaluation procedures do not, in the longer term, benefit the individuals involved. These could lead to claims being made by the individuals concerned in their own right. Additionally, there could be potential for individual and/or collective "equal pay claims" if the Council is unable to implement all the necessary changes to pay and benefits packages in a timely manner, whether due to resource, financial or any other limitations. There is also potential for industrial relations unrest due to the question of resources available v Trade Union expectation.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Since 2002, the City Council has settled equal pay claims from its cleaners / wardens and has consolidated the Craft Bonus.</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Complete its Job Evaluation Exercise</li> <li>◆ Undertake a Pay and Reward Review.</li> <li>◆ Performance manage the nationally agreed date for implementation.</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
Director of Corporate Services			April 2007	

REFERENCE	TR/E18			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
5=	Loss of Staff	4	4	16
<b>Background Information / Description</b>				
<p>The City of Durham has for many years enjoyed a low level of staff turnover. This provides continuity, allows staff to build an extensive knowledge of their services, and their customers, build a network of contacts among colleagues and stakeholders and take a medium to long term view of the business.</p> <p>The establishment of a unitary authority, and in particular the transition period, inevitably causes staff to consider their futures. It brings both the opportunity of working in a larger 'new' organisation, with greater resources and capacity, but also the threat of uncertainty and the unknown. The Council is also experiencing higher levels of staff turnover, particularly in certain specialist and professional disciplines. At the same time, because of the plans for staff reductions due to the merger of existing authorities, the local authorities are reluctant to appoint new staff, particularly in corporate and managerial positions.</p> <p>The need to create a unitary authority and the current establishment of Programme Boards, Programme Officers, Workstreams and Working Groups, is also placing pressure on staff resources, as staff are naturally eager to play a full role in shaping future services in County Durham.</p> <p>Both demands and the constraints on recruitment will jeopardise the Council's ability to meet its objectives, and equally as importantly lead to a loss of knowledge and experience gained in some services over many years.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Development of Transition Plan</li> <li>◆ Arrangements/contracts to engage agency staff and consultants</li> <li>◆ 'Mutual Aid' arrangements between County Durham authorities</li> <li>◆ OMT's ability to approve secondments and participation in Workstreams</li> <li>◆ Programme management arrangements for implementation of new authority</li> <li>◆ Ability to pay honoraria or acting-up allowances if staff leave and are not replaced</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continual review of workload of Council</li> <li>◆ Continual review of Programme Boards of workstreams and work programmes</li> <li>◆ Establish monitoring arrangements for Transition Plan</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
Executive Director			March 2008	

<b>REFERENCE</b>	TR/A34			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
5=	Meeting needs of public, service users and staff	4	4	16
<b>Background Information / Description</b>				
<p>From January to April 2009, and indeed during the initial years of the new unitary authority, Members and staff will be focussing on establishing a new unitary authority, merging services, systems and staff. At the same time, all authorities will wish to continue to meet the needs and expectations of the public, service users, partners and staff. This will present a challenge, and there is a risk that for some years, the authority(ies) will struggle to balance the complex demands on their stakeholders and to identify acceptable service standards for all areas of County Durham (which currently enjoy differing levels of service provision). There is also a slight danger that the authority may become internally focussed, concentrating on its structures, systems and processes, rather than look outwards and engage with its local communities and partners. This could lead to reputational damage and legal claims against the councils.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Development of Transition Plan</li> <li>◆ Commitment of Members and staff</li> <li>◆ Current Community and Economic Development Team</li> <li>◆ Consultation and Engagement process including the Toolkit</li> <li>◆ Award winning Communications Team, Durham City News and Communication Matters</li> <li>◆ Development of Business as Usual and Communications Protocols by JIT</li> <li>◆ Programme Management Arrangements for establishment of unitary authority, including involvement of partners as appropriate</li> <li>◆ LAA/LSP arrangements involving many stakeholders</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Monitoring of Transition Plan</li> <li>◆ Implementation of Communications Protocols by all authorities</li> <li>◆ Negotiation and finalisation of LAA and Sustainable Community Strategy</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / OMT / DSS			March 2008	

REFERENCE	TR/C13			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
7	Non Compliance with Fire Order	5	3	15
<b>Background Information / Description</b>				
<p>The Fire Order requires all organisations to undertake fire risk assessments of their buildings and temporary structures. If any fail to do so, the Fire Brigade are the enforcing authority with the power to either seek compliance or to prosecute if necessary. The Fire Order also requires the Council to nominate competent and responsible officers who will be responsible for compliance within a building. The Fire Brigade will undertake inspections to ensure compliance, either on a planned or unannounced basis. If the Fire Brigade prosecutes, it has the power to seek remedies, including financial penalties and/or the closure of buildings and/or operations.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Nominated officers for each building now in place</li> <li>◆ Regular fire risk assessments are being undertaken and monitored</li> <li>◆ Training on fire awareness undertaken</li> <li>◆ Fire wardens identified and trained</li> <li>◆ Regular inspection of buildings</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continue with current initiatives</li> </ul>				
<b>Responsibility</b>		<b>Review Date</b>		
Executive Director		March 2008		

REFERENCE	TR/B2			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
8=	Regeneration via Durham Villages Regeneration Company	4	3	12
<b>Background Information / Description</b>				
<p>The Council has established a joint venture company, Durham Villages Regeneration Company with Keepmoat plc. The Council transfers land to this company for regeneration and development purposes. The Council receives the full market value of the land and a dividend (being 50% of the profits made). The company develops the land. The Council has traditionally focused on the provision of housing (including affordable housing) but recently has undertaken the procurement of an office building in an innovative arrangement. The Council has entered into a similar arrangement to secure the provision of a new swimming pool and a further office building. The City Council has produced a five year strategy 'Achieving the Vision' and it aims to use the receipts from land transferred to DVRC and dividends generated to achieve its aims of providing Quality Public Services, develop Flourishing Communities and creating a Capital City. These plans are therefore dependent on the strength of the housing market and of the construction and building industries, and the continuing ability of DVRC to operate effectively.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ The City Council holds 49% of the shares in DVRC</li> <li>◆ The Chief Executive, the Leader of the Council and other Cabinet Members have been appointed as directors of DVRC</li> <li>◆ Regular meetings of the Board of DVRC are held with financial reports and forecasts being regularly provided</li> <li>◆ The Director of Strategic Resources is a cheque signatory for the company</li> <li>◆ The City Council has put in place robust legal agreement governing the transfer of land, the payment of land values and the provision of new facilities. These include bonds and guarantees to ensure new facilities are provided at low risk. This agreement has been reviewed and simplified</li> <li>◆ The Council has prepared a projection of all proposed land disposals and transfers. This will be updated regularly</li> <li>◆ Estimates of DVRC dividends and capital receipts are included in the 2007/08 budgets, the Medium Term Capital Programme and the Medium Term Financial Plan</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continue to negotiate robust legal agreements, which minimise the risk to the Council</li> <li>◆ Continue to monitor regularly estimated and actual DVRC dividends and receipts</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
Executive Director / Leader			March 2008	

<b>REFERENCE</b>	TR/A31			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
8=	Adequacy of response to emergency situations	4	3	12
<b>Background Information / Description</b>				
Recent events, such as flooding in other parts of the country, restricted outbreaks of foot and mouth disease, and terrorist incidents, have yet again highlighted the importance of the Council having robust emergency planning arrangements				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Capital City</li> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Membership of Local Resilience Forum</li> <li>◆ Robust, up-to-date emergency plan, detailing arrangements to be put in place should an emergency occur</li> <li>◆ Robust Business Continuity Management Plan</li> <li>◆ Participation in training activities and exercises at local, county, regional and national level</li> <li>◆ Support provided by Countywide Civil Contingencies Unit</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continue to improve existing arrangements</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / DSS			March 2008	



REFERENCE	TR/E15			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
8=	Loss of interest of staff	4	3	12
<b>Background Information / Description</b>				
<p>During the transition period, there is a risk that staff may become de-motivated and suffer a loss of interest. Their commitment and dedication, which has driven service improvement, may decline as a result of:</p> <ul style="list-style-type: none"> <li>◆ Uncertainty about their futures</li> <li>◆ Loss of colleagues, placing additional demands on those remaining</li> <li>◆ Loss of pride and value in their work, because of a limited life span and possible future changes</li> <li>◆ Increasing focus on creating new merged services and establishing a new authority</li> </ul> <p>This loss of interest could jeopardise the Council's ability to achieve its objectives, maintain service performance, weaken internal controls and sound governance, and thereafter the service to the public and service users.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Production of Transition Plan</li> <li>◆ Programme Management Arrangements for new authority</li> <li>◆ Business as Usual Protocol agreed by all local authorities</li> <li>◆ Human Resources Protocols agreed by all authorities</li> <li>◆ Communications with staff and Trade Unions</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continue communications with staff and Trade Unions</li> <li>◆ Expected Implementation Orders covering Human Resources</li> <li>◆ Development of Human Resources policies and processes for new authority by HR Workstream</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / OMT / DCS			March 2008	

REFERENCE	TR/F11			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
8=	Rush to spend balances	4	3	12
<b>Background Information / Description</b>				
<p>During previous re-organisations, local authorities have hastened to spend their funds, held in reserves and balances, on projects and schemes that will benefit their local communities. In so doing, they have often brought forward the delivery of long cherished aims and the construction of local facilities, sometimes with a high cost, both in capital and revenue terms.</p> <p>The plans proposed by the County Council are based on the ability to access reserves currently held by both the county and district councils in order to fund the implementation programme.</p> <p>The Council has recognised this risk. For many years, the Council has had an integrated Corporate Plan, a Medium Term Financial Plan, Asset Management Plan, Capital Strategy and service and business plans. The Council has therefore had a long term approach to the provision of services. The Council has prepared 2008/09 revenue and capital budgets and reviewed its policy on reserves and balances. The Council has reviewed its priorities, identified its key initiatives and abandoned others. The Council has therefore prepared a sound Transition Plan, which can be achieved within its existing financial frameworks.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ S151 Officer and Monitoring Officer in place</li> <li>◆ Development of a Transition Plan with key priorities</li> <li>◆ Preparation of robust 2008/09 revenue and capital budgets</li> <li>◆ Revised policy of reserves and balances in line with corporate priorities and financial frameworks</li> <li>◆ Robust financial monitoring arrangements</li> <li>◆ Achievement of a '3' in use of Resources Assessment</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Development and implementation of monitoring arrangements for Transition Plan</li> <li>◆ Establishment by government of Implementation Orders and development of subsequent guidance by Senior Officers Group</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / OMT / DFS / HLSS			March 2008	

REFERENCE		TR/B22		
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
8=	Loss of knowledge / data / experience	4	3	12
<b>Background Information / Description</b>				
<p>Since its creation in 1974, the Council has acquired a great deal of knowledge, experience and data of the services it runs and the population it serves.</p> <p>As the Council nears the end of its life, and a new unitary authority comes into being, there is a risk that this knowledge, experience and data may be lost. This knowledge, experience and data is held in many forms, including:</p> <ul style="list-style-type: none"> <li>◆ paper records and files (including legal documents)</li> <li>◆ computerised systems</li> <li>◆ hearts and minds of its staff</li> </ul> <p>As staff leave or move, buildings are vacated, documents destroyed and new computer systems developed, this information is often lost and may take considerable time, if ever, to be replaced.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Establishment of Retention of Documents Policy by all councils</li> <li>◆ Proactive approach of County Archivist, with advice being supplied</li> <li>◆ Current robust processes and procedures covering documentation of systems and information, for example, Contracts and Partnership Registers</li> <li>◆ Initial programme on registration of land and property with Land Register</li> <li>◆ Establishment of Information Management Workstream</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Review and implementation of Documents Policy</li> <li>◆ Complete registration of land and property by Land Registry</li> <li>◆ Continue to maintain key registers e.g. Contracts and Partnerships</li> <li>◆ Follow guidance of County Archivist</li> <li>◆ Establish handover arrangements as staff leave to transfer information</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / OMT / DCS / HLSS			March 2008	

REFERENCE	TR/F12			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
8=	Inappropriate decision making (future commitments)	4	2	8
<b>Background Information / Description</b>				
<p>During previous re-organisations of local authorities, some local authorities, who do not have a long term future, have chosen to commission and construct major facilities in their local communities. The capital costs of these facilities have not always been fully funded, nor have their ongoing operational and running costs being accommodated within existing budgets. On other occasions, councils have entered into long term contractual commitments, placing a significant burden on the successor authorities. Such commitments, even if funded, restrict the ability of the successor authorities to respond to changing circumstances, or to meet the priorities and needs of their communities.</p> <p>The government intends to establish Implementation Orders and Regulations restricting the authorities' ability to enter into such commitments.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Development of Transition Plan</li> <li>◆ Existing medium to long term approach</li> <li>◆ Commitment of members to Business as Usual</li> <li>◆ Funding arrangements identified for all capital projects, although some are dependent on planning permissions</li> <li>◆ Balanced recurring revenue position</li> <li>◆ Prudent and effective budgetary and financial management (recognised in Use of Resources Assessment)</li> <li>◆ Reserves and contingency plans in place</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Establishment of Implementation Orders by central government and guidance by Senior Officers Group</li> <li>◆ Monitoring of Transition Plan</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / OMT / DFS / HLSS / DSS			March 2008	

REFERENCE	TR/F13			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
8=	Failure to safeguard and transfer assets	4	3	12
<b>Background Information / Description</b>				
<p>The Council currently possesses a wide range of assets. These include land and property, vehicles, intangible assets, such as goodwill and reputation, intellectual property, documents, historic 'jewels' in the Town Hall, stocks of goods, and equipment, including computers and furniture. As a new unitary authority is established and staff move, it is possible that assets can easily be destroyed and lost. The Council needs to ensure that it safeguards and transfers assets.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Records of land and property e.g. land terriers, deeds, GIS, etc</li> <li>◆ Controls governing sale and transfer of land e.g. Constitution, Financial Regulations etc</li> <li>◆ Inventories of equipment held by ICT and services</li> <li>◆ Retention of Documents policy</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Complete registration of land with Land Registry</li> <li>◆ Review all inventories of equipment</li> <li>◆ Establish procedures for transfer of equipment</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / OMT			March 2008	

REFERENCE		TR/C14		
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
15=	Breakdown of internal control and good governance	5	2	10
<b>Background Information / Description</b>				
<p>The Council has put in place sound systems of internal control and good governance. During the transition period, not least because of the possible loss of staff and loss of motivation of staff, and inevitable changes in focus and direction, there is a risk that the Council will not be able to maintain these effective systems – leading to inappropriate, if not ‘ultra vires’ decisions, failure to follow stated procedures, maintain financial, human resources and risk systems, bringing increased levels of error and fraud.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Strong systems of internal control, co-ordinated by multi-disciplinary working group</li> <li>◆ Fraud and Corruption and Whistleblowing Policy in place</li> <li>◆ Effective internal audit, financial management, human resources, risk and health and safety arrangements</li> <li>◆ Constitution containing Code of Corporate Governance, Contract Procedure Rules, Financial Regulations in place and adhered to</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Maintain existing arrangements</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / OMT / DFS / DCS / DSS			March 2008	

REFERENCE	TR/C8			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
15=	<b>Public contact with asbestos, water hygiene &amp; similar hazards</b>	5	2	10
<b>Background Information / Description</b>				
<p>The council remains a major employer carrying out a diverse range of activities. In consequence, it's health and safety management system and culture should:</p> <ul style="list-style-type: none"> <li>◆ Respond to the requirements of a very wide range of health and safety issues and risks</li> <li>◆ Comply with all areas of current health and safety legislation</li> <li>◆ There are new legal duties under regulation 4 of the Control of Asbestos Regulations 2002 to manage asbestos in non domestic premises. These regulations need to be complied with.</li> </ul> <p>Any significant shortcomings in the health and safety management system could impact on the council's finance and/or reputation in a variety of ways, including</p> <ul style="list-style-type: none"> <li>◆ Prosecutions for non compliance</li> <li>◆ The direct cost of ill health</li> <li>◆ Impact on the reputation with Central Government</li> <li>◆ Impact on the Councils reputation within the community</li> </ul>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ The Council uses the appropriate consultants to identify potential risk areas and to carry out any remedial work identified from surveys.</li> <li>◆ The maintenance Manager has held training sessions for key staff on the subject of legionella and how to manage potential risk areas. A documented inspection regime is in place and carried out by Environmental Hygiene Services</li> <li>◆ The Council's housing management system highlights properties where asbestos is present and the workforce are alerted to this on job tickets. Remedial works have been completed on Municipal Buildings which now complies with best practice.</li> <li>◆ The Council has reviewed and improved its systems and procedures for health &amp; safety risk assessment</li> <li>◆ The Council has developed procedure and guidance notes for the management of insurance claims</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continue to undertake risk assessments</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
Executive Director			March 2008	

REFERENCE	TR/E17			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
17=	<b>Need to unitary authority to revisit adjustments to staff terms and conditions</b>	3	4	12
<b>Background Information / Description</b>				
<p>During the transition period, this Council will be reviewing staff terms and conditions, primary because of its commitment to implement job evaluation and single status. The Council may also, as has happened in the past, choose to restructure individual services, if the opportunity or need presents itself. As such decisions will inevitably have an impact on the unitary authority when TUPE-like transfers occur. There will, however, be a need for the unitary authority to review all terms and conditions to ensure all staff are treated equally and thus this Council should keep any adjustments to a minimum.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Ongoing negotiation of Job Evaluation / Single Status</li> <li>◆ Established practice of reviewing staff structures only when necessary</li> <li>◆ HR protocols agreed with all unitary authorities</li> <li>◆ Strong internal controls on the staff establishment of the City of Durham</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Establishment of Implementation Orders by central government and supplementary guidance by Senior Officers Group</li> </ul>				
<b>Responsibility</b>		<b>Review Date</b>		
ExD / OMT / DCS		March 2008		



<b>REFERENCE</b>		<b>TR/A35</b>		
<b>RANK</b>	<b>RISK DESCRIPTION</b>	<b>CURRENT RISK SCORES</b>		
		<b>Impact</b>	<b>Likelihood</b>	<b>Average</b>
<b>17=</b>	<b>Ability to meet LAA targets</b>	<b>3</b>	<b>4</b>	<b>12</b>
<b>Background Information / Description</b>				
<p>All authorities in County Durham participation in the existing Local Area Agreement and are currently negotiating a new agreement covering the three years from 2008. The local authorities set challenging targets as part of this agreement, are given initial funding from central government and, if successful, receive 'reward' grants, recognising performance. Because of the need to maintain Business as Usual within increasing resource constraints and the requirement to establish a new unitary authority, there is a real danger that the challenging targets set in the LAA will not be achieved.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ LAA Board and Framework in place</li> <li>◆ New agreement being prepared with full involvement of local authorities and stakeholders through the use of workshops etc.</li> <li>◆ Performance management arrangements already in place to monitor existing LAA targets</li> <li>◆ Director of Strategic Services reports to OMT regularly on LAA issues after attending the LAA Board</li> <li>◆ Participation in Policy and Partnerships Workstream</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Complete negotiation of LAA with GONE</li> <li>◆ Seek formal approval for new LAA</li> <li>◆ Review performance management arrangements and ensure new targets are included</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / DSS			March 2008	

<b>REFERENCE</b>	TR/B21			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
17=	Changes to partnership arrangements	3	4	12
<b>Background Information / Description</b>				
<p>The City of Durham is a stakeholder in many partnership arrangements, both informally and formally. In some cases, it acts as host or lead authority. The new unitary authority will be a successor authority and inherit all of the City's assets, liabilities, contractual commitments and its role in its partnerships. The new unitary authority will, obviously, at some point review these arrangements and take a decision on their future.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Register of partnerships</li> <li>◆ Formal agreements for key partnerships</li> <li>◆ Review of partnerships taking place, with consideration being given to the future, where practicable</li> <li>◆ Discussions on future taking place with partners</li> <li>◆ Key partnerships identified in Transition Plan</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Work with all local authorities and partners to ensure a smooth transition for these arrangements</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / OMT / DSS			March 2008	

REFERENCE	TR/E14			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
20=	Management of Equality and Diversity (Employee)	3	3	9
<b>Background Information / Description</b>				
<ul style="list-style-type: none"> <li>◆ User focus and diversity is a core element of CPA Assessment</li> <li>◆ Target of level 3 for Equality Standard for Local Government by 2007/08</li> <li>◆ General duty on local authority to promote Race Equality</li> <li>◆ Equality and Diversity essential element of Local Government Modernisation Agenda</li> <li>◆ Increased Equality Employment legislation</li> </ul>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Target in relation to Equalities Standard</li> <li>◆ Establishment of Equalities Steering Group</li> <li>◆ Employment Monitoring</li> <li>◆ Development of Equalities Action Plan</li> <li>◆ Establishment and monitoring of LPIs covering Equalities</li> <li>◆ Diversity Training for all employees/members</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Establish formal partnership (Durham Equality and Diversity Partnership) with other public sector bodies in County Durham</li> <li>◆ Ensure Equal Employment &amp; Pay via Equality</li> <li>◆ Continue with Equalities Training Strategy</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
Director of Corporate Services			March 2008	

REFERENCE	TR/B20			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
20=	Partnerships	3	3	9
<b>Background Information / Description</b>				
<p>The partnerships are a significant feature of public service delivery. At the last count, around 5,500 partnerships existed in the UK, account for some £4 billion of public expenditure. Councils and other partners need to be clear about what they are trying to achieve and how they will achieve it by working in partnership. They must ensure that partnerships add value and have good leadership and management.</p> <p>The Audit Commission is placing increasing importance on the governance of partnerships. This is reflected in its Use of Resources Assessment. Recently, it has undertaken an audit of partnerships in both the City and the County of Durham.</p> <p>The City of Durham has numerous partnerships in place, at both strategic and operational level. It has a long a successful tract record of working in partnerships with external organisations. The Audit Commission has found that its current arrangements are not appropriate to ensure good governance. The Council has developed guidance to ensure consistent and robust arrangements in future and is now reviewing its current partnerships.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Identification of all key operational partnerships in Business Plans</li> <li>◆ Ongoing review of all major partnerships, including establishment of more formal and modern agreements e.g. DVRC, Durham City Arts, CAB, Durham Sport, e-government partnership</li> <li>◆ Establishment of a Working Group to review all partnerships</li> <li>◆ Participation in NECE initiatives in partnerships</li> <li>◆ Installation of NECE software re partnerships</li> <li>◆ Production and implementation of a Partnership Toolkit, including guidance notes and protocol</li> <li>◆ Preparation of a Partnership Register</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Production of an action plan to review existing arrangements</li> <li>◆ Creation of an electronic partnership register, identifying partnership, the benefits, the risks and the exit strategies</li> <li>◆ Evaluation of all partnerships including options appraisal and market testing</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
Director of Strategic Services			March 2008	

<b>REFERENCE</b>	<b>TR/A21</b>			
<b>RANK</b>	<b>RISK DESCRIPTION</b>	<b>CURRENT RISK SCORES</b>		
		<b>Impact</b>	<b>Likelihood</b>	<b>Average</b>
<b>20=</b>	<b>Development and Construction of New Swimming Pool</b>	<b>3</b>	<b>3</b>	<b>9</b>
<b>Background Information / Description</b>				
<p>The existing swimming pool opened in 1932. There are major technical difficulties associated with a building of that age. Consultation has shown that provision of a new, modern pool is a high priority for residents throughout the district. The Council is using a tried and tested procurement route through its Regeneration Company.</p> <p>The Council has thoroughly evaluated several options and prepared a business plan and feasibility study. It has selected a preferred option and is in the process of finalising the costs and the sources of funding, through the transfer of land to DVRC and the sale of land on the open market. It has secured the use of the land from the County Council and has secured a private sector partner (leisure operators) via a European Procurement Route. All land values have recently been agreed. The Council has recently been awarded a £250,000 grant from Sport England. Work is underway on site and the project is currently on time and on budget.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ The Executive Director of the City Council and the Development Officer of Keepmoat plc (its partner in DVRC) are personally managing the situation</li> <li>◆ The City Council's independent valuers have agreed land values</li> <li>◆ A cost consultant has been appointed to evaluate construction costs</li> <li>◆ The Council has established a Project Team. This includes the Executive Director and the Head of Environment and Leisure Services and the Head of Cultural Services</li> <li>◆ A robust legal agreement with DVRC has been completed</li> <li>◆ Regular reports are given to Portfolio holders and Cabinet</li> <li>◆ The design has been agreed</li> <li>◆ Planning permission has been granted</li> <li>◆ A detailed Risk Register has been produced. This has been reviewed</li> <li>◆ The legal agreements securing the land and the partnership with a private sector operator have been completed</li> <li>◆ Contractors have been selected and construction is in progress</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Secure planning permission for sites transferred to DVRC</li> <li>◆ Finalise costs and funds for the scheme</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
Executive Director			March 2008	

REFERENCE	TR/E13			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
20=	Management of Equality and Diversity (Service)	3	3	9
<b>Background Information / Description</b>				
<ul style="list-style-type: none"> <li>◆ User focus and diversity will be a core element of CPA Assessment</li> <li>◆ Target of level 3 for Equality Standard by 2007/08</li> <li>◆ Community Plan reflects Diversity agenda</li> <li>◆ General duty on Local Authority to promote Race Equality</li> <li>◆ Equality &amp; Diversity essential element of Local Government Modernisation Agenda</li> </ul>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Established a Gender Equality Scheme and revised Race Equality Scheme</li> <li>◆ Targets in relation to Equalities Standard</li> <li>◆ Level 2 for Equality Standard achieved</li> <li>◆ Establishment of Equalities Steering Group</li> <li>◆ Development and implementation of Equalities Action Plan</li> <li>◆ Diversity Training for Employees/Members</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Establish a formal partnership (Durham Equality and Diversity Partnership) with other public sector bodies in County Durham</li> <li>◆ Carry out Impact &amp; Needs Requirement Assessments (NRA)</li> <li>◆ Ensure Quality and Diversity in Procurement</li> <li>◆ Continue with Equalities Training</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
Director of Corporate Services			March 2008	

REFERENCE	TR/A23			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
20=	Regenerating Durham City – The Vision	3	3	9
<b>Background Information / Description</b>				
<p><b>The Visioning Proposals</b></p> <p>The physical proposals, or Development Framework, have been drawn up by the consultants, David Lock Associates, MacCormac, Jamieson Prichard, Donaldsons, Colin Buchanan, Abros and The Chambers; with the input of partners and a focus group called Durham Voices. In parallel the County have appointed Colin Buchanan to look at access issues for the City including public transport, pedestrian, cycle and road management.</p> <p>The “softer” proposals have been developed by The Chambers, alongside the Development Framework. This work has developed the Durham Voices group. These outcomes will be delivered to a longer timescale and include issues of entrepreneurship, events, town centre management and development of a new park concept for the City.</p> <p>A final and related strand is the World Heritage Site Management Plan.</p> <p>The Council and its partners have now produced a Master Plan and appointed Project Officers to take these proposals forward.</p> <p><b>Delivering the Vision</b></p> <p>The Visioning project will provide a planned approach to delivering change in Durham City. This will have regional resonance and will aim to deliver significant investment in the City by One North East, other regional and local bodies as well as growing local business investment. To achieve this aspiration the partners are exploring a delivery option that will aim to deliver regeneration using a new delivery option that gains the skills required as the project moves forward.</p> <p>The role of the City Council as key sponsor will remain as part of the delivery processes in the short to medium term.</p> <p>The Visioning project is a cross cutting issue for the Council. Using the skills within the authority and working corporately the authority can deal with arising issues. The Chief Executive will continue to lead the Visioning process for the Council with the Head of Cultural Services acting on day to day issues and its management.</p> <p><b>Key Risks</b></p> <p>The principle risks are reputational as very clear and far reaching aspirations will be articulated as part of the next step of the Project. The framework for this has been set during the recent public engagement process.</p> <p>To deliver the development side of the project good quality contacts, communication and negotiations with the land owners and stakeholders will be required. In some cases premature planning applications will test the aspirations and values of the project at a time when the planning policy framework in the approved Local Plan do not preclude misaligned development proposals. The Local Development Framework will assist as will the use of clear and agreed Development Briefs for sites to help align aspirations for land.</p> <p style="text-align: right;">/Cont'd....</p>				

<b>REFERENCE</b>	TR/A23			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
20=	Regenerating Durham City – The Vision	3	3	9
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ The Durham Partnership of City Council, the County Council, One North East, Durham University and Durham Cathedral are all working together to share the vision for the City in the next 15 to 20 years. The proposals have been developed by a range of consultants working under the guidance of partners using the Durham City Masterplan Steering Group.</li> <li>◆ Financial controls have been set up under the terms of appointment for the Consultants. Grant from the Single Programme is drawn down quarterly, and partners income is invoiced directly.</li> <li>◆ Quarterly returns report progress of the project and assess its contribution to defined outcomes and outputs.</li> <li>◆ The Master Plan has been linked with the City Centre Local Development Framework</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continue to provide a clear community engagement with the proposed Urban Development Framework and Master Plan and seek community sign up and ownership to the emerging projects</li> <li>◆ Continue to ensure that Events and Arts implementation are delivered by a cross cutting partnership throughout the City, tied to the Political Vision, Performance Plan and Community Plan objectives</li> <li>◆ Continue to ensure that Durham City acts as a regenerative and economic driver for the sub region by engaging with the commercial sectors of the City and generating greater visitor spend.</li> <li>◆ Continue to ensure the conservation and enhancement of the historic environment of the City and its setting, and bringing new uses to under utilised parts of the riverbanks.</li> <li>◆ Continue to use partnership working to enables a best practice approach to the management of the World Heritage Site and dissemination of the same.</li> <li>◆ Consider the creation of a private and public partnership organisation to assist in the implementation of the Master Plan over the next 10 years by creating a new company derived from the existing partnership</li> <li>◆ Consider the creation of a new delivery vehicle to separate the duties of the local planning authority and the aspirations of the Visioning Project</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
Head of Cultural Services			March 2008	



REFERENCE	TR/B14			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
25=	Customer Services	4	2	8
<b>Background Information / Description</b>				
<p>The Council operates its front line Customer Services function from its DurhamCityinfo centres based at Claypath, Coxhoe and Meadowfield, and to a lesser degree at Byland Lodge.</p> <p>This section deals with customer enquiries at the first point of contact. Initial services provided include housing repairs and lettings queries, rent and council tax enquiries, housing and council tax benefit enquiries and also refuse collection enquiries. This is in line with the City Council's objective of making the Council easier to access for all sectors of the community. This is an evolving process with the take up of other services being rolled out on an ongoing basis. Enquiries are handled through the CRM System, allowing enquiries to be logged and progress monitored and providing feedback to the customer where required.</p> <p>Concerns have been expressed at Customer Services' ability to cope with demand following the implementation of the restructure. Ongoing staffing problems have been encountered during the restructuring process with a high turnover of staff internally, coupled with recruitment to a high number of original vacancies within a new section. There has been a difficulty because of this and the speed of implementation to provide an adequate supply of fully trained staff. The main problems relate to the section's ability/capacity to handle incoming telephone calls.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Policy Scrutiny Panel are reviewing this service</li> <li>◆ A regular monthly Customer Services Forum is in place to discuss/monitor ongoing issues across all service areas and Customer Services' contribution to service delivery</li> <li>◆ Regular reminders are issued at this forum and in other arenas for all services to ensure that the information they provide to Customer Services is comprehensive and up to date and to provide appropriate training to Customer Services staff</li> <li>◆ Separate operational forums take place in relation to service specific issues</li> <li>◆ Operational sections have provided temporary assistance until initial difficulties are overcome</li> <li>◆ Training programmes have been devised and are being implemented – this will be an ongoing process including refresher training as appropriate. Consideration is being given to the implementation of performance targets and the development of SLAs with services</li> <li>◆ Ongoing flexible recruitment takes place promptly as and when vacancies arise</li> <li>◆ A Customer Services Strategy is in the process of being developed</li> <li>◆ Regular team meetings are held. On a weekly basis staff are required to complete a feedback report form which allows monitoring of any problems or operational difficulties</li> <li>◆ Customer Services are heavily reliant on IT support. Issues regarding a level of priority response in the event of system failure/operational problems have been addressed via the ICT Disaster Recovery Procedure</li> <li>◆ Regular meetings are held with the ICT service to monitor/rectify system/telephony issues</li> <li>◆ Completion of light Lean Review of service</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Ongoing review of working practices to make best use of staff time</li> <li>◆ Individual staff monitoring has been introduced on a daily/weekly basis</li> <li>◆ Consideration of skills based progression – further discussion needed with Human Resources.</li> <li>◆ Shared training takes place with other Local Authorities</li> <li>◆ Continue the development of the County-wide CRM</li> </ul>				
<b>Responsibility</b>		<b>Review Date</b>		
Director of Corporate Services		March 2008		

REFERENCE	TR/B7			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
25=	Leisure Services	2	4	8
<b>Background Information / Description</b>				
<p>The Council provides a range of mostly non-statutory "Leisure Services" (including those listed below) and which are in demonstrable fulfilment of its "Community Strategy" leisure objectives which are that the Council will:</p> <ul style="list-style-type: none"> <li>◆ Provide a range of leisure and recreation facilities throughout the district</li> <li>◆ Encourage excellence in sport</li> <li>◆ Provide a high quality &amp; varied leisure service to encourage the participation of all sectors of the community</li> </ul> <p>The Services provided include:</p> <ul style="list-style-type: none"> <li>◆ Management of 5 district leisure centres, a swimming bath, all weather surface pitches, and tennis courts</li> <li>◆ Provision of a comprehensive holiday programme in sport and play</li> <li>◆ Bidding for funding through the "Durham Sport Partnership"</li> <li>◆ Operation of a "Healthy Lifestyle Partnership" (with a GP referral scheme)</li> <li>◆ "Ad hoc" work with community groups, special needs groups, Disability Sport England, etc.</li> </ul> <p>Concerns/ risks arise in relation to:</p> <ul style="list-style-type: none"> <li>◆ Affordability of provisions against SSA</li> <li>◆ Mismatch between income and expenditure (many activities are subsidised)</li> <li>◆ Income or revenue support switched to other Council priorities</li> <li>◆ Competition from private sector (latter can be at an advantage because the Council has limited flexibility due to terms and conditions)</li> <li>◆ Not providing quality equipment and type of leisure the community require</li> <li>◆ Only part of community still benefit</li> <li>◆ Major investment required to upgrade facilities to ensure the centres meet community needs &amp; expectations</li> <li>◆ Location of facilities remains a fundamental problem</li> <li>◆ Facilities have only limited use for long periods.</li> </ul>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Leisure Services have produced a Leisure Services strategy and have developed the concept of Leisure Community Hubs</li> <li>◆ There has been a substantial investment in informal outdoors leisure facilities</li> <li>◆ Leisure Services target children and young people as part of the national agenda</li> <li>◆ The City Council plans to build a new swimming pool and is investing in its other centres to meet D.D.A. requirements</li> <li>◆ Development and implementation of a Child Protection Policy</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Identify sources of investment funds / potential partners</li> </ul>				
<b>Responsibility</b>		<b>Review Date</b>		
HELS		March 2008		

<b>REFERENCE</b>	TR/A33			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
27=	Loss of interest of Members	3	2	6
<b>Background Information / Description</b>				
<p>The City Council is governed by 50 elected members, who are committed to both the Council and their local communities. Members spend considerable amounts of time and energy on dealing with Council business and their constituents' needs. As the Council approaches the vesting day of the new authority, members' ability to take decisions and influence the future of their communities will decline, with statutory restrictions being put in place. In addition, some members may be elected to the new unitary authority, and will have to balance the demands of this Council and those of the new authority.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Documented roles and responsibilities for members set out in the Constitution</li> <li>◆ Strong support to members from Democratic Services</li> <li>◆ Good relationships between members and officers</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continue to maintain existing arrangements</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / DCS			March 2008	

<b>REFERENCE</b>	<b>TR/E16</b>			
<b>RANK</b>	<b>RISK DESCRIPTION</b>	<b>CURRENT RISK SCORES</b>		
		<b>Impact</b>	<b>Likelihood</b>	<b>Average</b>
27=	The long term implications of adjustment to staff terms and conditions	5	5	25
<b>Background Information / Description</b>				
<p>During previous re-organisations of local government, early retirement and voluntary redundancy schemes have been put in place. In some cases, the salaries of key staff have been increased. Such initiatives generate long term financial commitments stretching, in some cases, decades into the future. The existing Councils and the new unitary authority will need to ensure that any such commitments are clearly identified and financed. Above all, they must be affordable.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ The City Council has an existing ER/VR scheme and grants requests only where efficiencies result</li> <li>◆ All local authorities have agreed HR protocols, and are working on further joint arrangements</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Implementation Orders, governing transfer of staff and long term commitments and guidance of SOG, is anticipated</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
DCS / DFS			March 2008	

REFERENCE	TR/E8			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
29=	Non compliance with Health and Safety Legislation	5	1	5
<b>Background Information / Description</b>				
<ul style="list-style-type: none"> <li>◆ The Council remains a major employer carrying out a diverse range of activities. In consequence, its health and safety management system and culture should: <ul style="list-style-type: none"> <li>• Respond to the requirements of a very wide range of health and safety risks;</li> <li>• Comply with many areas of health and safety legislation;</li> <li>• Be understood and implemented by a large number of employees at all levels in the organisation and across all parts of the organisation.</li> </ul> </li> <li>◆ Any significant shortcomings in the health and safety management system could impact on the Council's finances and/or reputation in various ways including: <ul style="list-style-type: none"> <li>• The short term/direct costs of accidents and incidents of ill-health (lost time, overtime working, temporary recruitment, etc.)</li> <li>• The longer term/indirect costs of accidents and incidents of ill-health (additional costs of insurance, costs of accident/incident investigations, the costs of rehabilitation/return to work programmes etc.</li> <li>• Impact on the Council's reputation with its employees (reduced morale/motivation, reduced productivity, adverse impact on industrial relations, etc.)</li> <li>• Impact on the Council's reputation with Central Government</li> <li>• Impact on the Council's reputation in the community (Members' discontentment, adverse publicity, etc.)</li> </ul> </li> </ul>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ The City Council has recently appointed a Health and Safety Manager, who reports directly to the Executive Director.</li> <li>◆ The Health and Safety Manager is currently auditing the City Council's current systems.</li> <li>◆ The Health and Safety Manager has implemented a programme of workplace assessments.</li> <li>◆ The Health and Safety Manager has established new systems for risk assessments.</li> <li>◆ The Health and Safety Manager has established a rolling training programme</li> <li>◆ There is a programme of workplace inspections in place</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Complete the audit of the Councils' systems.</li> <li>◆ Review the Councils' Health and Safety Policy.</li> <li>◆ Provide appropriate training.</li> <li>◆ Improve communication.</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
Executive Director			March 2008	

REFERENCE	TR/C12			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
29=	Not understanding and implementing changes in legislation	5	1	5
<b>Background Information / Description</b>				
<p>The Council operates within a legal and statutory framework. If it operates outside of this, its actions can be deemed ultra vires. or illegal. The Council is also required to comply with statutory obligations imposed on it, for example, regarding health and safety or Employment. If the Council fails to comply with these legal requirements, action may be taken against it by either individuals affected or by statutory bodies charges with ensuring compliance. If legal actions are successful, the consequences could be severe, not least in reputational or financial terms.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Legal changes as a standing item on OMT</li> <li>◆ The Council has a legally qualified monitoring officer and employs its own solicitors</li> <li>◆ All Cabinet reports cover legal issues</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continue to monitor legislative changes</li> </ul>				
<b>Responsibility</b>		<b>Review Date</b>		
Head of Legal and Strategic Services		March 2008		

REFERENCE	TR/D9			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
31=	IT Disaster Recovery	4	1	4
<b>Background Information / Description</b>				
<ul style="list-style-type: none"> <li>◆ The IT Service is absolutely critical to the day to day function of the Council</li> <li>◆ Any lengthy period of “downtime” or total loss of the server room at Claypath could result in the complete collapse of all major Council services, and possibly even the Council itself.</li> <li>◆ The E-Government agenda is making the IT service as a whole and the Server room in particular, ever more critical in the success or otherwise of the Council</li> <li>◆ Even without total permanent loss, performance indicators are reliant on the delivery of services. The delivery of services is reliant on IT</li> <li>◆ Server room location is less than ideal. Space is limited, ceilings and floors are solid (making environmental controls and structured cabling difficult), second floor location is vulnerable to fire from below and difficult to cool</li> <li>◆ City centre location – most likely part of City to suffer terrorist attack, although situation still regarded as unlikely</li> </ul>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Since 2002, staff have been given access to main servers to enable them to back up data files.</li> <li>◆ The City Council has an ICT Disaster Recovery Strategy and is putting in place plans to improve the resilience if its ICT systems</li> <li>◆ The City Council has worked with the Emergency Planning Unit to produce a Business Continuity Management Plan by the statutory deadline</li> <li>◆ There is a fire Alarm system in building, with a monitor specifically in the annex off the main server room (open area)</li> <li>◆ Two hand held, wall mounted fire extinguishers in the main server room and the annex</li> <li>◆ Building access controls – preventing external access to the area for direct sabotage events</li> <li>◆ There is a door keypad entry system to server room, the code is known by IT and City Care only</li> <li>◆ Internal intruder alarm installed in server room and annex which is monitored 24 hours by City Care</li> <li>◆ Air Conditioning units installed in the server room and annex. Prevents severe overheating that could have potentially led to electrical malfunction and fire</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Consider installation of Inergen fire suppressant system for server room and annex</li> <li>◆ Consider installation of more robust alarm entry system and motion detectors</li> <li>◆ Longer term – Consider the relocation of the Councils IT Server room to a more flexible office location with purpose built fire retardant and air conditioning facilities. New building should also be away from City Centre location and server room should ideally be below ground for increased security and improved environmental controls</li> <li>◆ All future projects involving or requiring an IT element (i.e. a server) need to be co-ordinated with IT during the budget process to ensure that a disaster recovery server(s) is specified and built into the total project cost (if required)</li> <li>◆ Implement current ICT Disaster Recovery Plans</li> <li>◆ Review Business Continuity Management Plans</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
DCS / HICT			March 2008	

REFERENCE	TR/D7			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
31=	Management of Contaminated Land	4	1	4
<b>Background Information / Description</b>				
<p>Under the relatively recently enacted requirements of S147 of Environmental Protection Act 1990 the Council now has a statutory obligation to develop and maintain a comprehensive "Register of Contaminated Land". This register must identify, where possible, the name of the owner of the land. The owner can potentially be held liable for the clean up of any contamination occurring outside the boundaries of his land (irrespective of whether or not he was the original polluter.)</p> <p>It follows that this legislation presents two key risks to the Council i.e.</p> <ul style="list-style-type: none"> <li>◆ It must be able to demonstrate that it is meeting its statutory requirements in relation to the register</li> <li>◆ It must have in place suitable strategies to monitor and control any contaminated land where it itself is the recognised owner.</li> </ul> <p>Two other concerns also prevailing are :-</p> <ul style="list-style-type: none"> <li>◆ The County Council owns various waste tips but has assigned agency to the City Council for some of these.</li> <li>◆ The Council may be asked to advise whether buildings are being constructed on contaminated land. There is a potential liability if it can be shown that the Council has given incorrect advice.</li> </ul>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ The City Council has adopted a Contaminated Land Strategy and has employed a consultant to review and update it.</li> <li>◆ The City Council has identified through a desktop study, areas of possible contamination.</li> <li>◆ The Council has received funding to put together the Register of Contaminated Land with a view to prioritising vulnerable areas for early excavation, and this is progressing.</li> <li>◆ The City Council has established arrangements whereby Legal Services ratify and consider the Council's liability</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Prioritise areas of land identified in "Achieving the Vision" and then other land owned by the Council</li> </ul>				
<b>Responsibility</b>		<b>Review Date</b>		
HPS		March 2008		



REFERENCE	TR/A28			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
31=	Influenza Pandemic	4	1	4
<b>Background Information / Description</b>				
<p>The risk of a new human influenza pandemic is considered by the World Health Organisation (WHO) to have increased over the last two years. The Cabinet and the DCLG have issued initial guidance on contingency planning for a possible pandemic. One of the main challenges is the uncertainty surrounding the nature of the crisis, when it emerges and the likely impact. Planning assumes that once it has reached the UK, the infection will spread quickly and outbreaks are inevitable across the whole country. The government estimates that there will be additional staff absence rates of up to 15% over the 2-3 week period of a pandemic, a cumulative clinical attack rate of 25% to 50% of around 15 weeks and a fatality rate of between 0.37% and 2.5%.</p> <p>The government wishes local authorities to put in place measures to maintain core essential business activities for several weeks during the pandemic.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ The Council has a Business Continuity Plan</li> <li>◆ The Risk Management Working Group has been given responsibility for Influenza Pandemic Planning</li> <li>◆ The Civil Contingencies Officer, with responsibility for this area, attends the Working Group. He gives presentations, offers advice and submits latest published guidance and updates</li> <li>◆ The Council has prepared a specific plan for its Cemeteries and Crematoria</li> <li>◆ The Council has robust emergency planning arrangements which have been tested</li> <li>◆ The Council has taken part in emergency planning exercises</li> <li>◆ The Council has a comprehensive Influenza Pandemic Plan</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Production of HR policies and procedures in the event of a pandemic</li> <li>◆ Production of continuity plans for key critical services</li> <li>◆ Participation in exercises</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
DSS / RMWG			March 2008	

<b>REFERENCE</b>		TR/A32		
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
31=	Loss of Members	4	1	4
<b>Background Information / Description</b>				
<p>The term of office of Members of this Council will end with the Council on 31 March 2009, when the new authority is created. Thus, there is the possibility that if Members chose to retire in the transition period, it may be difficult to secure candidates for election. In certain circumstances, no bye-election needs to be held if a councillor resigns within 6 months of the planned expiry of his term of office. There are also statutory provisions to appoint councillors if there are insufficient members and candidates to enable the Council to operate.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> <li>◆ Flourishing Communities</li> <li>◆ Capital City</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Statutory provisions governing the election of councillors to principal authorities</li> <li>◆ Support given to Members</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ None</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / DCS / HLSS			March 2008	

<b>REFERENCE</b>	TR/A36			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
35=	Effective Risk Management	3	1	3
<b>Background Information / Description</b>				
<p>As the Transition Plan shows, the establishment of a unitary authority and the abolishment of City of Durham brings with it increased risks for this Council. There is therefore a need to establish effective risk management arrangements during the transition period. This Council has in recent years established strong risk management arrangements, recognised as a '3' by the Audit Commission in its Use of Resources Assessment.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Strategic Risk Register and Policy</li> <li>◆ Transition Plan Risk Register</li> <li>◆ Action Plan to mitigate strategic risks with regular quarterly monitoring</li> <li>◆ Operational Risk Registers, which are regularly monitored</li> <li>◆ Multi-disciplinary Risk Management Working Group with champions in each service</li> <li>◆ Qualified risk management professional employed</li> <li>◆ Extensive risk management training programme undertaken with annual risk awareness sessions</li> <li>◆ Integrated risk and audit programmes</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Establish regular monitoring of risks in Transition Plan Risk Register</li> <li>◆ Complete integration of health and safety risks and risk assessments into operational risk registers</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
ExD / DSS / RMWG			March 2008	

REFERENCE	TR/F14			
RANK	RISK DESCRIPTION	CURRENT RISK SCORES		
		Impact	Likelihood	Average
35=	Effective financial management	3	1	3
<b>Background Information / Description</b>				
<p>The Council has established effective financial management frameworks, including robust budget setting, reliable financial reporting, strong budgetary control, effective treasury management and debt management. During the transition period, the Council will need to ensure that its current arrangements continue so that it can demonstrate effective stewardship of its resources, reducing waste, inefficiency and the risk of fraud. The Council has been complimented on its arrangements by the Audit Commission.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Existing systems of financial management and control</li> <li>◆ Financial reporting to OMT and Cabinet</li> <li>◆ Procedures for the approval of additional items funded from reserves in a year</li> <li>◆ Effective Treasury Management Strategy and in-house management of debt and investment portfolios</li> <li>◆ Increased recovery of Council Tax, NNDR, rents and other debtors, with comprehensive Debt Management Strategy and Performance Indicators</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Continue to maintain existing arrangements</li> </ul>				
<b>Responsibility</b>		<b>Review Date</b>		
ExD / OMT / DFS		March 2008		

<b>REFERENCE</b>	<b>TR/A37</b>			
<b>RANK</b>	<b>RISK DESCRIPTION</b>	<b>CURRENT RISK SCORES</b>		
		<b>Impact</b>	<b>Likelihood</b>	<b>Average</b>
35=	Effective performance management	3	1	3
<b>Background Information / Description</b>				
<p>The Council has established a comprehensive corporate performance management framework, covering all services. The Council monitors its performance against its aims, objectives and targets through quarterly reports to OMT and to Performance Clinics. Heads of Service have put in place appropriate arrangements in their areas of responsibility. There is a risk that given the demands placed on staff and restrictions on the Council's ability to enter into contracts, that performance may decline and thus performance management arrangements must be monitored.</p>				
<b>Strategic Objective</b>				
<ul style="list-style-type: none"> <li>◆ Quality Public Services</li> </ul>				
<b>Current Controls</b>				
<ul style="list-style-type: none"> <li>◆ Transition Plan</li> <li>◆ Corporate Performance Plan and Service Plans</li> <li>◆ Computerised software to record performance (Performance PLUS)</li> <li>◆ Dedicated staff monitoring performance at service and corporate level</li> <li>◆ Quarterly reports to OMT</li> <li>◆ Quarterly Performance Clinics, attended by Cabinet Members and Officers</li> </ul>				
<b>Additional / Recommended Controls</b>				
<ul style="list-style-type: none"> <li>◆ Update and shorten business plans to reflect Transition Plan</li> <li>◆ Maintain existing arrangements</li> </ul>				
<b>Responsibility</b>			<b>Review Date</b>	
DSS / OMT			March 2008	

## APPENDIX B

### EVALUATION OF RISKS BY OMT ON 5 FEBRUARY 2008

Rank 5.2.07	Ref No.	Risk to be Evaluated	Evaluation									Current Status
			Current Risk			Integral Risk			Residual Risk			
			Impact	Like- lihood	Total	Impact	Like- lihood	Total	Impact	Like- lihood	Total	
1=	TR/E6	Sickness Absence	5	4	20	5	5	25	5	4	20	Red
1=	TR/F9	Potential failure to achieve capital receipts from land sales/RTBs	5	4	20	5	5	25	5	2	10	Red
1=	TR/A7	Service continuity/ business continuity management	5	4	20	5	5	25	5	4	20	Red
1=	TR/E10	Implementation of Single Status	4	5	20	5	5	25	4	5	20	Red
5=	TR/E18	Loss of staff	4	4	16	4	4	16	4	4	16	Red
5=	TR/A34	Meeting needs of public service users and staff	4	4	16	5	5	25	4	4	16	Red
7	TR/C13	Non compliance with Fire Order	5	3	15	5	4	20	5	1	5	Red
8=	TR/B2	Regeneration via DVRC	4	3	12	4	4	16	4	2	8	Red
8=	TR/A31	Adequacy of response to emergency situations	4	3	12	5	3	15	4	3	12	Red
8=	TR/E15	Loss of interest of staff	4	3	12	4	3	12	4	3	12	Red
8=	TR/F11	Rush to spend balances	4	3	12	5	5	25	4	2	8	Red
8=	TR/B22	Loss of knowledge/ data/experience	4	3	12	4	4	16	4	3	12	Red
8=	TR/F12	Inappropriate Decision making (future commitments)	4	3	12	5	5	25	4	2	8	Red
8=	TR/F13	Failure to safeguard and transfer assets	4	3	12	5	5	25	4	2	8	Red
15=	TR/C14	Breakdown in internal control and good governance	5	2	10	5	5	25	5	1	5	Red
15=	TR/C8	Public contract with asbestos and similar hazards	5	2	10	5	3	15	5	2	10	Red
17=	TR/E17	Need for unitary to revisit adjustments to staff terms and conditions	3	4	12	5	5	25	3	4	12	Amber

Rank 5.2.07	Ref No.	Risk to be Evaluated	Evaluation									Current Status
			Current Risk			Integral Risk			Residual Risk			
			Impact	Like- lihood	Total	Impact	Like- lihood	Total	Impact	Like- lihood	Total	
17=	TR/A35	Ability to meet LAA targets	3	4	12	3	5	12	3	4	12	Amber
17=	TR/B21	Changes to partnership arrangements	3	4	12	3	4	12	3	4	12	Amber
20=	TR/E14	Management of Equality and Diversity (employees)	3	3	9	4	4	16	4	2	8	Amber
20=	TR/B20	Partnerships	3	3	9	3	3	9	2	2	4	Amber
20=	TR/A21	Development and construction of Swimming Pool	3	3	9	4	3	12	3	3	9	Amber
20=	TR/E13	Management of Equalities and Diversity (service)	3	3	9	3	4	12	3	3	9	Amber
20=	TR/A23	Regenerating Durham City – The Vision	3	3	9	3	4	12	3	3	9	Amber
25=	TR/B14	Customer Services	4	2	8	4	3	12	4	2	8	Amber
25=	TR/B7	Leisure Services	2	4	8	3	5	15	2	3	6	Amber
27=	TR/A33	Loss of interest of Members	3	2	6	3	2	6	3	2	6	Amber
27=	TR/E16	Adjustment to staff terms and conditions (long term implications)	3	2	6	5	5	25	3	2	6	Amber
29=	TR/E8	Non compliance with health and safety legislation	5	1	5	5	5	25	5	1	5	Amber
29=	TR/C12	Not understanding and implementing changes to legislation	5	1	5	5	5	25	5	1	5	Amber
31=	TR/D9	IT Disaster Recovery	4	1	4	5	1	5	3	1	3	Amber
31=	TR/D7	Management of contaminated land	4	1	4	4	1	4	4	1	4	Amber
31=	TR/A28	Influenza Pandemic	4	1	4	5	1	5	4	1	4	Amber
31=	TR/A32	Loss of Members	4	1	4	4	1	4	4	1	4	Amber
35=	TR/A36	Effective risk management	3	1	3	4	4	16	3	1	3	Amber
35=	TR/F14	Effective financial management	3	1	3	4	4	16	3	1	3	Amber
35=	TR/A37	Effective performance management	3	1	3	4	4	16	3	1	3	Amber

Rank 5.2.07	Ref No.	Risk to be Evaluated	Evaluation									Current Status
			Current Risk			Integral Risk			Residual Risk			
			Impact	Like- lihood	Total	Impact	Like- lihood	Total	Impact	Like- lihood	Total	
35=	TR/A37	Effective performance management	3	1	3	4	4	16	3	1	3	Amber
38=	TR/B21	Implementation of housing management system	2	2	3	4	3	12	2	2	4	Green
38=	TR/A6	Compliance/ governance/ monitoring	2	2	4	4	4	16	2	2	4	Green
38=	TR/C11	Liability claims from the public	1	3	3	4	4	16	1	3	3	Green
41	TR/A10	Ongoing management of Gala Theatre / Millennium City	1	2	2	4	3	12	1	2	2	Green



## APPENDIX C

### SUMMARY OF STRATEGIC RISK REGISTER DATED OCTOBER 2007

Rank 4.7.07	Ref No.	Risk to be Evaluated	Evaluation 4 July 2007									Current Status
			Current Risk			Integral Risk			Residual Risk			
			Impact	Like- lihood	Total	Impact	Like- lihood	Total	Impact	Like- lihood	Total	
1=	E6	Sickness Absence	5	5	25	5	5	25	4	4	16	Red
1=	A26	Change to the role and structure of local government (unitary authority)	5	5	25	5	5	25	5	5	25	Red
3=	F9	Potential failure to achieve capital receipts from land sales/RTBs	5	4	20	5	5	25	5	2	10	Red
3=	E10	Implementation of Single Status	4	5	20	5	5	25	4	5	20	Red
5	B19	Shared Services	4	4	16	5	4	20	4	3	12	Red
6	C13	Non Compliance with Fire Order	5	3	15	5	4	20	5	1	5	Red
7=	B2	Regeneration via DVRC	4	3	12	4	4	16	4	2	8	Red
7=	A31	Adequacy of response to emergency situations	4	3	12	5	3	15	4	3	12	Red
7=	F7	Level of Pension Funds	4	3	12	5	4	20	4	2	8	Red
10	C8	Public contact with asbestos, water hygiene and similar hazards	5	2	10	5	3	15	5	2	10	Red
11	A30	Climate change / Environmental Sustainability	3	4	12	3	5	15	2	3	6	Amber
12	A27	Local & Demographic Change	2	5	10	3	5	15	2	5	10	Amber
13=	E14	Management of Equality & Diversity (Employee)	3	3	9	4	4	16	4	2	8	Amber
13=	D10	Implementation of new hardware and software systems	3	3	9	5	5	25	3	3	9	Amber
13=	B20	Partnerships	3	3	9	3	3	9	2	2	4	Amber

Rank 4.7.07	Ref No.	Risk to be Evaluated	Evaluation 4 July 2007									Current Status
			Current Risk			Integral Risk			Residual Risk			
			Impact	Like- lihood	Total	Impact	Like- lihood	Total	Impact	Like- lihood	Total	
13=	D4	Suitability / sustainability of property portfolio (excl. housing stock)	3	3	9	3	3	9	3	3	9	Amber
13=	B9	Refuse Collection and Recycling Services	3	3	9	3	3	9	3	3	9	Amber
13=	A13	Suitability / Sustainability of housing stock	3	3	9	4	5	20	3	3	9	Amber
13=	A21	Development and construction of Swimming Pool	3	3	9	4	3	12	3	3	9	Amber
13=	E13	Management of Equalities and Diversity (Service)	3	3	9	3	4	12	3	3	9	Amber
13=	A23	Regenerating Durham City – The Vision	3	3	9	3	4	12	3	3	9	Amber
22=	B14	Customer Services	4	2	8	4	3	12	4	2	8	Amber
22=	B7	Leisure Services	2	4	8	3	5	15	2	3	6	Amber
24=	F10	Availability of Resources	3	2	6	4	3	12	3	2	6	Amber
24=	A25	Impact of Regional Spatial Strategy	2	3	6	3	3	9	2	3	6	Amber
26=	E8	Non compliance with Health & Safety Legislation	5	1	5	5	5	25	5	1	5	Amber
26=	C12	Not understanding and implementing changes in legislation	5	1	5	5	5	25	5	1	5	Amber
28=	D9	IT Disaster Recovery	4	1	4	5	1	5	3	1	3	Amber
28=	D7	Management of Contaminated Land	4	1	4	4	1	4	4	1	4	Amber
28=	A28	Influenza Pandemic	4	1	4	5	1	5	4	1	4	Amber