

Audit Committee

29 November 2021

**Strategic Risk Management Progress
Report for 2021/22 - Review No. 2: Period
1 June – 30 September 2021**



Report of Corporate Management Team

Paul Darby, Corporate Director of Resources

**Councillor Richard Bell, Deputy Leader and Cabinet member for
Finance**

Purpose of the Report

- 1 This report highlights the strategic risks facing the Council and gives an insight into the work carried out by the Corporate Risk Management Group between June and September 2021.

Executive summary

- 2 This report supports the Council's Risk Management Strategy. Audit Committee is responsible for monitoring corporate governance, including risk management activity. Heads of service identify and manage risks that may impede Council objectives and provide assurance that effective controls are in place. Risks are reviewed three times each year, which contributes to improved performance, decision-making and governance.
- 3 Two key risks, relating to Statutory Sufficiency Duty and Health and Social Care Winter Planning, have been added to the risk register and one risk relating to Land Slippage has been updated.
- 4 The EU Exit risk has been re-evaluated to reflect that the main impacts are now expected to be economic. There continues to be significant uncertainty in terms of COVID-19.
- 5 On 30 September 2021, there were 33 risks on the strategic risk register. There are eight key risks, relating to COVID-19, Statutory Sufficiency Duty, health and social care winter planning, MTFP savings plans, Government funding, climate change, child safeguarding and vulnerable adults, for which key mitigating actions have been identified.

- 6 Performance against key indicators is set out to provide assurance that strategic risks are being effectively managed, and that officers and members are appropriately skilled in risk management.

Recommendation(s)

- 7 Audit Committee is requested to confirm that this report provides assurance that strategic risks are being effectively managed within the risk management framework across the Council.

Background

- 8 Each corporate director has a designated service risk manager to lead on risk management at a service grouping level. In addition, the Council has designated the Deputy Leader and Cabinet Portfolio holder for Finance and the Corporate Director of Resources as member and officer risk champions respectively. Collectively, they meet with the Risk and Governance Manager and other service grouping representatives as a Corporate Risk Management Group (CRMG). A summary setting out how the Council deals with the risk management framework is included in appendix 2.
- 9 Throughout this report, both in the summary and the appendices, all risks are reported as 'net risk' (after putting in place mitigating controls to the 'gross risk' assessment), which is based on an assessment of the impact and likelihood of the risk occurring with existing controls in place.

Current status of the risks to the Council

- 10 Two key risks, relating to Statutory Sufficiency Duty and Health and Social Care Winter Planning have been added to the risk register and one risk relating to Land Slippage has been updated.
- 11 The EU Exit risk has been re-evaluated to reflect that the main impacts are now expected to be economic.
- 12 There continues to be significant uncertainty in terms of COVID-19.
- 13 On 30 September 2021, there were 33 risks on the corporate strategic risk register, two more than on 31 May 2021. During this period two risks were added, and none were removed.
- 14 In summary, the key risks to the Council are:
- (a) Failure/inability to respond to and recover from the COVID-19 pandemic, leading to delayed economic recovery and adverse impacts on employee resilience and the health and wellbeing of the wider community.
 - (b) Risk of being unable to meet the authority's statutory sufficiency duty to provide sufficient accommodation in the local authority area to meet the needs of Children Looked After and children in need.
 - (c) Potential disruption to the Council's and partners' health and social care services during the winter period.

- (d) If timely and comprehensive savings plans are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves.
- (e) There is significant uncertainty in relation to future funding settlements from government, which will be impacted by the upcoming Comprehensive Spending Review and the Fair Funding Review.
- (f) Risk that the Council fails, in its role as a community leader, to help partners, local businesses and communities make the necessary adaptations and mitigations in pursuit of the target of being a carbon-neutral County by 2050.
- (g) Failure to protect a child from death or serious harm (where service failure is a factor or issue).
- (h) Failure to protect a vulnerable adult from death or serious harm (where service failure is a factor or issue).

Progress on addressing these key risks is detailed in appendix 3.

- 15 A number of interrelated supply chain issues have created shortages and price uncertainty for a range of products and services. Covid and Brexit have impacted labour markets and consumer spending behaviour, leading to disruption in many sectors. Shortages of port workers and distribution staff have caused major disruption in shipping, resulting in large cost increases, which has widespread implications. Officers are monitoring developments to better understand the full implications and potential risks and an updated risk assessment will be provided in future reports.
- 16 Potential violence and aggression towards members and employees have been constantly recognised as a strategic risk and the key mitigations are outlined against risk 7 in appendix 4 of this report. The control measures and support in relation to officer and member personal safety and security have been reviewed and enhanced regularly over time, particularly following any incidents or intelligence on any potential violence and aggression related risks. These have therefore been reviewed again in view of recent events.
- 17 A list of all the Council's strategic risks on 30 September 2021, aligned to the corporate themes in County Durham Vision 2035 and the Council Plan, is included in appendix 4. In line with discussions at the Audit Committee earlier this year, the current control measures and planned improvements for these have been added to aid members consideration of these issues.

- 18 Management has identified and assessed these risks using a structured and systematic approach, and is taking proactive measures to mitigate these risks to a manageable level. This effective management of our risks is contributing to improved performance, decision-making and governance across the Council.
- 19 To provide assurance that strategic risks are being effectively managed, and that officers and members are appropriately skilled in risk management, performance against key indicators is set out in appendix 5.

Conclusion

- 20 The strategic risks of each service are reviewed three times each year, in line with the Council's Risk Management Strategy. The updated register is then approved by service management teams and used by the Risk, Insurance and Governance Manager when reporting the status of risks to Corporate Management Team, Audit Committee and to the Cabinet.
- 21 The terms of reference for the CRMG require the group to provide a corporate cross-cutting review of strategic risks, and related risk issues. This report satisfies that requirement.

Contact

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Appendix 1: Implications

Legal Implications

There are no direct implications, but effective risk management helps to ensure compliance with legal and regulatory obligations.

Finance

There are no direct financial implications, but effective risk management helps to avoid or minimise financial loss.

Consultation

None

Equality and Diversity / Public Sector Equality Duty

None

Climate Change

There are no direct climate change implications, but effective risk management helps to avoid or minimise adverse impacts.

Human Rights

None

Crime and Disorder

None

Staffing

Staff training needs are addressed in the risk management training plan.

Accommodation

None

Risk

This report supports the delivery of the objectives of the Council's Risk Management Strategy.

Procurement

None

Appendix 2: How the Risk Management Framework operates

The Cabinet and the Corporate Management Team have designated the Cabinet Portfolio Holder for the Deputy Leader and Finance and the Corporate Director of Resources as Member and Officer Risk Champions respectively. Together they jointly take responsibility for embedding risk management throughout the Council and are supported by the Chief Internal Auditor and Corporate Fraud Manager, the lead officer responsible for risk management, as well as the Risk, Insurance and Governance Manager.

Each service grouping also has a designated service risk manager to lead on risk management at a service grouping level, and act as a first point of contact for staff who require any advice or guidance on risk management. Collectively, the risk champions, service risk managers and the Risk and Governance Manager meet as a Corporate Risk Management Group. This group monitors the progress of risk management across the Council, advises on strategic risk issues, identifies and monitors corporate cross-cutting risks, and agrees arrangements for reporting and awareness training.

An Audit Committee is in place, and one of its key roles is to monitor the effective development and operation of risk management and overall corporate governance in the Authority.

It is the responsibility of the Corporate Directors to develop and maintain the internal control framework and to ensure that their service resources are properly applied in the manner and to the activities intended. Therefore, in this context, heads of service are responsible for identifying and managing the key risks which may impact on their respective service, and providing assurance that adequate controls are in place, and working effectively to manage these risks where appropriate. In addition, independent assurance of the risk management process, and of the risks and controls of specific areas, is provided by Internal Audit. Reviews by the external auditor and bodies such as Ofsted and Care Quality Commission may also provide some independent assurance of the controls in place.

Risks are assessed in a logical and straightforward process, which involves the risk owner within the service assessing both the impact on finance, service delivery and stakeholders if the risk materialises, and also the likelihood that the risk will occur over a given period. The assessment is confirmed by the Service Management Team.

An assurance mapping framework is being developed to demonstrate where and how the Council receives assurance that its business is run efficiently and effectively, highlighting any gaps or duplication that may indicate where further assurance is required or could be achieved more effectively.

The Council is also jointly responsible for responding to civil emergencies (such as severe weather events, network power losses and flu epidemics) through the County Durham and Darlington Local Resilience Forum. An explanation of the arrangements for managing the risk of such events and a copy of the latest Community Risk Register can be found on the web page of the County Durham and Darlington Local Resilience Forum.

Appendix 3: Progress on management of the Council’s Strategic Risks

Risks are assessed at two levels:

- Gross impact and likelihood are based on an assessment of the risk without any controls in place.
- Net impact and likelihood are based on the assessment of the current level of risk, taking account of the existing controls/ mitigation in place.

On 30 September 2021, there were 33 risks on the corporate strategic risk register, two more than on 31 May 2021. During this period two risks were added, and none were removed.

The following matrix profiles the strategic risks according to their net risk evaluation on 30 September 2021. To highlight changes in each category during the last period, the number of risks on 31 May 2021 is shown in brackets.

Overall number of Strategic Risks on 30 September 2021

Impact					
Critical	1 (1)		4 (4)		1 (1)
Major		4 (5)	4 (4)	3 (1)	
Moderate			11 (12)	5 (3)	
Minor					
Insignificant					
Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

In the above matrix, the risk assessed as Critical/Highly Probable is, “There is significant uncertainty in relation to future funding settlements from government, which will be impacted by the upcoming Comprehensive Spending Review and the Fair Funding Review.”

New Risks

- 1 *Risk of being unable to meet the authority's statutory sufficiency duty to provide sufficient accommodation in the local authority area to meet the needs of Children Looked After and children in need (CYPS).*

This is a national issue and is subject to the Independent Review of Children's Social Care commissioned by central government through the Department of Education which is due to publish final recommendations in spring 2022. It has also been highlighted as an area for priority action in Durham by the social care regulator, Ofsted, following a recent focused visit in July 2021. In view of the current pressures, the net risk has been evaluated as **major impact, probable likelihood** and, therefore, meets the criteria of a key risk.

- 2 *Potential disruption to the Council's and partners' health and social care services during the winter period (AHS).*

Winter 2021/22 is expected to be one of the most challenging experienced by public services due to a predicted surge in demand for health and social care caused by a combination of Covid and other respiratory viruses, staffing pressures and current unprecedented demand. The Council is also responsible for managing cold and adverse weather events with other partners. It is likely that normal levels of service will not be provided, adding pressure to the management of excess deaths. The net risk has been evaluated as **major impact, probable likelihood** and, therefore, meets the criteria of a key risk.

Upated Risks

- 3 *Potential progressive land slippage near A690 may develop to an extent where a major road closure is necessary for repairs to be undertaken (NCC).*

This is the main access road to Durham City where there is evidence of carriageway failure due to land slippage. Following a recent landslip, which caused damage to nearby property and may have contributed to carriageway depressions and damage to surface water drainage, the net evaluation has been **uprated from major impact/unlikely occurrence to major/possible**. The landowner has initiated remedial repairs to the embankment designed to provide additional stability and reduced risk. Officers are planning, in consultation with geotechnical specialists, to install carriageway monitoring devices, and the Council's Civil Contingencies Unit are helping to develop contingency plans to minimise the potential impacts of a road closure for this strategic route.

EU Exit

- 4 *Potential damage to the strength and competitiveness of the of the Co Durham economy due to changing economic factors following the UK's EU Exit (REG).*

Following the UK's exit from the EU on 31 January 2020, a new trade agreement was concluded on 30 December 2020 and came into effect on 1 January 2021. The Council's Brexit Task and Finish Group was reconvened, then stood down as there were no immediate detrimental impacts. Longer term planning and mitigation of impacts is being picked up by the Economic Recovery Group, which is managing the economic impacts and recovery from COVID-19. The risk has been reviewed in detail and reflects that the main impacts are on the economy. The net risk has been **re-evaluated from major impact, possible likelihood to moderate/probable**.

Supply Chain Issues

- 5 Numerous, interrelated supply chain issues have created shortages and price uncertainty for a range of products and services. Covid and Brexit have impacted labour markets and consumer spending behaviour, leading to disruption in many sectors. Shortages of port workers and distribution staff have caused major disruption in shipping, resulting in large cost increases, which has widespread implications. Officers are monitoring developments to better understand the full implications and potential risks, which include:

(a) Potential price increases and/or shortages of goods and services.

Service levels may be affected, with longer delivery or lead times and reduced stock availability. Price levels are particularly vulnerable where haulage is a significant part of the cost. Areas of concern include food provisions and the impact on schools, residential/care homes and low-income families; construction materials and the impact on Council projects and the wider economy; and rock salt as we enter the winter period.

(b) General labour shortages.

The labour market has seen significant movement within and between sectors, due the effects of Covid and Brexit. Labour shortages may lead to further disruption, higher pay rates in some areas and increased costs for temporary staff as demand and competition for skilled workers drives up industry pay. The sectors most affected include haulage, farming and hospitality, but there are reports that other sectors could be impacted.

(c) Recruitment, retention and workforce planning by the Council.

Existing shortages of labour and skills, together with the Council's ageing workforce, may lead to adverse impacts on service delivery. Areas of concern include Aycliffe Secure Centre, children's residential services, children's social care, community protection, planning/engineers, adult social care.

(d) Energy

Due to current uncertainty in the energy market, potential risks include:

- Energy price increase leading to Council budget overspend and/or loss and/or disruption to premises.
- Council demand for energy exceeds supply, leading to loss and/or disruption to premises.

(e) Inflation

The combined effect of the above issues is creating inflationary pressures, which are likely to impact on the costs of goods and services purchased by the Council, further squeezing existing budgets.

Security of Elected Members

- 6 Potential violence and aggression towards members and employees have been constantly recognised as a strategic risk and the key mitigations are outlined against risk 7 in appendix 4 of this report. The control measures and support in relation to officer and member personal safety and security have been reviewed and enhanced regularly over time, particularly following any incidents or intelligence on any potential violence and aggression related risks. These have therefore been reviewed again in view of recent events.

Key Risks

7 The Council's key risks are shown in the following table.

Key Risks Matrix

Net Impact					
Critical			Risk 1 COVID-19 Risk 4 Savings Plans Risk 7 Child Safeguarding Risk 8 Vulnerable Adults		Risk 5 Government Funding
Major				Risk 2 Sufficiency Duty Risk 3 Winter Planning Risk 6 Climate Change	
Moderate					
Minor					
Insignificant					
Net Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

In this matrix, the key risks have been arranged according to the net impact and net likelihood evaluations to illustrate their relative severity. The full title of each risk is shown in the Key Risks Schedule on the following pages.

Key Risks Schedule

The schedule below contains information about how the key risks are being managed, including proposed key actions. Where there have been changes to the risk assessment during the last quarter, these are highlighted in the column headed 'Direction of Travel'. The final column states when it is anticipated that the risk will have been reduced to an acceptable level.

Ref	Service leading on the risk	Range of impact (cross-cutting or service-specific)	Corporate Theme	Risk	Net Impact	Net Likelihood	Proposed Key Actions	Direction of Travel	Anticipated date when risk will be at an acceptable level
1	Corporate Management Team	Cross-cutting	Excellent Council	Failure/inability to respond to and recover from the COVID-19 pandemic, leading to delayed economic recovery and adverse impacts on employee resilience and the health and wellbeing of the wider community.	Critical	Possible	The Council's response is being led by the Director of Public Health. Corporate and multi-agency oversight arrangements are in place via Covid Corporate Management Team, Health Protection Assurance Board, Health and Wellbeing Board and Overview and Scrutiny Community. The Local Resilience Forum (LRF) Strategic Command Group has been stood down, however the LRF Tactical Command Group maintains a watching brief. These groups provide an escalation pathway to regional and national levels. The vaccination delivery programme continues and has high uptake, but the situation remains challenging due to the relaxation of the regulations and restrictions.		This risk is long term.

Ref	Service leading on the risk	Range of impact (cross-cutting or service-specific)	Corporate Theme	Risk	Net Impact	Net Likelihood	Proposed Key Actions	Direction of Travel	Anticipated date when risk will be at an acceptable level
2	CYPS Risk Owner: Helen Fergusson	Service-Specific	People live long and independent lives	Risk of being unable to meet the authority's statutory sufficiency duty to provide sufficient accommodation in the local authority area to meet the needs of Children Looked After and children in need.	Major	Probable	There is a focus on marketing, recruitment and retention of foster carers and targeted campaigns for children with disabilities; teenagers; sibling groups and unaccompanied asylum-seeking children. Children's homes capacity was increased in 2021 and additional capacity will be developed in 2021/22 and onwards. Work continues with private providers through regional and local commissioning work to develop the market and increase capacity.		This risk is long term.
3	AHS Risk Owner: Jane Robinson	Service-specific	People live long and independent lives	Potential disruption to the Council's and partners' health and social care services during the winter period.	Major	Probable	In preparation for the surge in demand for health and social care, a cross-partner Task and Finish Group has developed consolidated plans, an account of which has been presented to the Adults, Wellbeing and Health Overview and Scrutiny Committee.		This is a seasonal risk.

Ref	Service leading on the risk	Range of impact (cross-cutting or service-specific)	Corporate Theme	Risk	Net Impact	Net Likelihood	Proposed Key Actions	Direction of Travel	Anticipated date when risk will be at an acceptable level
4	RES Risk Owner: Jeff Garfoot	Cross-cutting	Excellent Council	If timely and comprehensive savings plans are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves.	Critical	Possible	The Delivery plan implementation will be monitored by CMT and Cabinet.		This will be a significant risk for at least the next 4 years. No further mitigation is planned at the current stage.
5	RES Risk Owner: Jeff Garfoot	Cross-cutting	Excellent Council	There is significant uncertainty in relation to future funding settlements from government, which will be impacted by the upcoming Comprehensive Spending Review and the Fair Funding Review.	Critical	Highly Probable	Sound financial forecasting is in place based on thorough examination of the Government's "red book" plans alongside forecasting of council expenditure and income especially in relation to the areas impacted by COVID-19.		This will be a significant risk for at least the next 4 years.

Ref	Service leading on the risk	Range of impact (cross-cutting or service-specific)	Corporate Theme	Risk	Net Impact	Net Likelihood	Proposed Key Actions	Direction of Travel	Anticipated date when risk will be at an acceptable level
6	NCC Risk Owner: Alan Patrickson	Cross-cutting	People live long and independent lives	Risk that the Council fails, in its role as a community leader, to help partners, local businesses and communities make the necessary adaptations and mitigations in pursuit of the target of being a carbon-neutral County by 2050.	Major	Probable	One of the key mitigations is the Climate Emergency Response Plan 2020-2022, incorporating over 100 projects. The scale, duration and complexity of the programme means that sustained oversight, monitoring and review are essential. Environment and Sustainable Communities Overview and Scrutiny Committee will review performance against the plan and make recommendations for the revision of targets.		This risk is long term.
7	CYPS Risk Owner: John Pearce	Service-specific	Connected communities	Failure to protect a child from death or serious harm (where service failure is a factor or issue).	Critical	Possible	Durham Safeguarding Children Partnership has been established in line with the statutory requirements set out in 'Working Together 2018'. Partnership learning through scrutiny mechanisms and learning reviews underpins training for front line staff and regular staff supervision takes place. A review of the partnership arrangements was completed in 2020.		This risk is long term.

Ref	Service leading on the risk	Range of impact (cross-cutting or service-specific)	Corporate Theme	Risk	Net Impact	Net Likelihood	Proposed Key Actions	Direction of Travel	Anticipated date when risk will be at an acceptable level
8	AHS Risk Owner: Lee Alexander	Service-specific	People live long and independent lives	Failure to protect a vulnerable adult from death or serious harm (where service failure is a factor or issue).	Critical	Possible	As the statutory body, the multi-agency Safeguarding Adults Board has a Business Plan in place for taking forward actions to safeguard vulnerable adults including a comprehensive training programme for staff and regular supervision takes place. Procedures are reviewed on a regular basis. Following allegations of abuse at Whorlton Hall Hospital, an independent review the Council's safeguarding adults' processes has been commissioned. Any learning from this and other such reviews will inform actions to reframe and further develop practice.		Nationally there has been an increased awareness of potential vulnerabilities relating to adults with care and support needs. High profile exposures heighten awareness of adult safeguarding concerns. This risk is long term.

Appendix 4: List of all Strategic Risks (by Corporate Theme)

Based on the net risk assessment on 30 September 2021, the following tables highlight the risks for each Corporate Theme in County Durham Vision 2035 and the Council Plan.

Corporate Theme – Excellent Council

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
1	RES	There is significant uncertainty in relation to future funding settlements from government, which will be impacted by the upcoming Comprehensive Spending Review and the Fair Funding Review.	Critical	Highly Probable	Treat	See key risk schedule in appendix 3.
2	AHS	Failure/inability to respond to and recover from the COVID-19 pandemic, leading to delayed economic recovery and adverse impacts on employee resilience and the health and wellbeing of the wider community.	Critical	Possible	Treat	See key risk schedule in appendix 3.
3	RES	If timely and comprehensive savings plans are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves.	Critical	Possible	Treat	See key risk schedule in appendix 3.
4	RES	Potential serious injury or loss of life due to the Council failing to meet its statutory, regulatory and best practice responsibilities for property and land.	Major	Possible	Treat	Current controls: Unitised Corporate Property and Land Service, asset database, training programme. Capitalised maintenance programme. Incident reporting and monitoring in collaboration with relevant parties, where appropriate. Planned Improvements: implement a corporate service delivery model and estate management performance indicators.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
5	NCC	Breach of duty under Civil Contingencies Act by failing to prepare for, respond to and recover from a major incident, leading to a civil emergency.	Major	Possible	Treat	Current controls: Local Resilience Forum Strategic Board (strategic direction), Tactical Business Group (delivery and performance management), Standing Group (horizon scanning, threat assessments, training, testing and plan exercises). Mutual aid agreement with neighbouring local authorities. Planned Improvements: emergency on-call rotas reviewed, and refresher training provided.
6	NCC	Demand pressures on the Community Protection inspections and interventions arising from the COVID-19 pandemic and the UK exit from the EU may lead to an adverse impact on public health and safety in Co Durham.	Moderate	Possible	Treat	Current controls: The Community Protection Team's work is governed by Food Safety/Health and Safety plans. There is a training and development programme and post-graduate training for staff. The team has been strengthened in 2021 by an apprenticeship programme and the addition of seven posts to help respond to Covid19. Planned Improvements: Upgrade the ICT system. Workforce Development Plan.
7	RES	Potential violence and aggression towards members and employees from members of the public	Moderate	Possible	The current controls are considered adequate.	Current controls: Oversight by Health, Safety and Wellbeing Strategic Group. Management of Violence & Aggression Policy. Guidance and awareness on personal safety, violence and aggression through members' induction and handbook. Members provided with access to personal alarms and torches for personal security. Violence and Aggression accident and incident reporting procedure. Security Strategy and Policy. Physical security features on Council premises. Security personnel presence for designated sites and activities, based on risk assessment and intelligence. Collaboration with Durham Police re intelligence, where appropriate. Civil action against individuals, where appropriate.
8	RES	Failure to consider equality implications of decisions on communities leading to successful legal challenge and delays in implementation	Moderate	Possible	The current controls are considered adequate.	Current controls: Member portfolio for Equality and Inclusion, dedicated Equality Team provides training, awareness, support and guidance to members and staff. Public Sector Equality Duty objectives are included in the Council Plan. Impact assessment process is embedded in processes for strategic planning, decision-making, public and stakeholder consultation and the medium-term financial plan.
9	RES	Serious breach of Health and Safety Legislation	Moderate	Possible	The current controls are considered adequate.	Current controls: Health and Safety (H&S) Management System, policy, strategy, supporting guidance, codes of practice. Proactive audit, inspection and monitoring regimes. Accident, incident and ill-health reporting procedures adapted for Covid19. Occupational H&S Team. Oversight by cross-service Corporate Health, Safety and Wellbeing Strategic Group, chaired by Corporate Director of Resources.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
10	RES	Potential significant size and scope of the liabilities of equal value claims	Moderate	Possible	The current controls are considered adequate.	Current controls: The Council is working with claimants and their legal representatives to determine those claimants who have a legitimate claim. Work is ongoing with the Tribunal to seek an agreeable settlement for all parties.
11	NCC	Failure to consult with communities on major service & policy changes leading to legal challenge & delays in implementation	Moderate	Possible	The current controls are considered adequate.	Current controls: Consultation Statement (commitment and approach), Consultation Plan, Consultation Team, cross-service Consultation Officer Group. Consultation is embedded in strategic planning, decision-making and Medium-Term Financial Plan. Consultations web page. Membership of the Consultation Institute (awareness, advice, Covid19 adaptation).
12	RES	If the Council suffered a successful cyber-attack or IT security breach, then it may be unable to effectively deliver essential services.	Major	Unlikely	The current controls are considered adequate.	Current controls: Business Continuity plans. Collaboration with Police, Fire, NHS via a Strategic Co-ordination Group. Critical assets risk assessed. Anti-Virus, Anti-spam, Spyware software protection. Regular Intrusion Detection test. Firewalls. Password protection. Third-Party Access Policy. Staged phishing exercises. User awareness.
13	RES	Due to the current economic climate, COVID (grants, hardship reliefs, scams) and amount of change occurring across the Council, there is potential for increases in fraud and corruption.	Moderate	Possible	The current controls are considered adequate.	Current controls: Corporate Fraud Team, Counter Fraud & Corruption Strategy, Fraud Response Plan, Corporate Fraud Sanction Policy, Confidential Reporting Code, Anti-Money Laundering Policy and Counter Fraud Plan. Preventive measures include training, fraud awareness, and publicity campaigns/fraud communication strategy. Numerous fraud reporting channels available. Data analytics/matching and fraud data hub. Reported cases are investigated rigorously and promptly, and appropriate action taken. Multi-agency partnerships working.
14	NCC	Failure to prepare for, respond to and recover from a disruptive event, leading to a major interruption to the provision of essential services by the Council.	Major	Unlikely	Treat	Current controls: Business Continuity Management (BCM) Strategy, Policy and Steering Group. Comprehensive, up-to-date business impact analysis data. Service-specific, management-approved business impact analyses. Strategic, tactical and operational plans tested and in place. Backup ICT site. Planned Improvements: develop a business continuity e-learning package for senior managers.
15	RES	Potential breach of the Data Protection Act 2018	Major	Unlikely	The current controls are considered adequate.	Current controls: Data Protection Policy and supporting procedures. Information Security Policy. Statutory Data Protection Officer appointed. Oversight by cross-service Information Governance Group. Regular data protection training for staff. Data breach reporting process and procedure. Technology and working practices to avoid potential homeworking related breaches.

Connected Communities

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
16	CYPS	Failure to protect a child from death or serious harm (where service failure is a factor or issue)	Critical	Possible	Treat	See key risk schedule in appendix 3.
17	CYPS	Inability to recruit and retain residential children's homes staff may seriously inhibit capacity to deliver essential, specialist services to children and young people from across England and Wales.	Moderate	Possible	Treat	Current controls: Human Resources Team. Recruitment strategy. Performance and Development Review Scheme. Occupational Health service. Employee assistance programme. Independent psychotherapy service. Post-incident debriefing and learning. Secure and recruitment/retention allowances. Improvements planned: Develop webpage to improve appeal to prospective candidates. Review induction process.
18	NCC	Potential progressive land slippage near the A690 may develop to an extent where a major road closure is necessary for repairs to be undertaken.	Major	Possible	Treat	Current controls: Structural maintenance works in 2016. Extensive site investigations and repairs to highway drainage systems. Periodic remedial works. Monthly highway safety inspections to monitor ground conditions and drainage. Regular meetings between Strategic Highways Team and nearby property occupier. Improvements planned: Install carriageway monitoring devices. Develop road closure contingency plans.

Continued ...

Long and Independent Lives

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
19	CYPS	Risk of being unable to meet the authority's statutory sufficiency duty to provide sufficient accommodation in the local authority area to meet the needs of Children Looked After and children in need.	Major	Probable	Treat	See key risk schedule in appendix 3.
20	NCC	Risk that the Council fails, in its role as a community leader, to set an example and help partners, local businesses and communities make the necessary adaptations and mitigations in pursuit of the target of being a carbon-neutral County by 2050.	Major	Probable	Treat	See key risk schedule in appendix 3.
21	AHS	Potential disruption to the Council's and partners' health and social care services during the winter period.	Major	Probable	Treat	See key risk schedule in appendix 3.
22	AHS	Failure to protect a vulnerable adult from death or serious harm (where service failure is a factor or issue).	Critical	Possible	Treat	See key risk schedule in appendix 3.
23	AHS	Pressures nationally across residential, nursing and domiciliary care providers, could affect the availability, delivery, continuity, quality, sustainability and capacity of care provision within County Durham.	Moderate	Probable	The current controls are considered adequate.	Current controls: Collaboration with providers and health colleagues to understand market sustainability issues and share intelligence. Market Position Statement. Links to national policy makers and professional bodies. Monitoring impact on providers of new workplace pension rules. Increased focus on prevention and alternative services. MTFP forward planning. New Care Academy launched 3-9-19.
24	CYPS	Inability to recruit and retain children's social workers and social work managers may seriously inhibit the delivery of services.	Moderate	Probable	The current controls are considered adequate.	Current controls: Social Work Academy to 'grow our own' and develop new social workers. Innovative Recruitment and Selection approaches to attract social workers. Monitoring pay rates workers to ensure we remain competitive. Activities to support the recruitment and retention of specific roles. Management development programme. Ensuring that social workers and managers receive robust supervision and support in their roles.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
25	CYPS	Volatile and high-cost, demographic demands of children looked after on the Children's Social Care budget may result in adverse impacts on the budget and service delivery.	Moderate	Probable	The current controls are considered adequate.	Current controls: Monthly monitoring of financial outturn forecasts. Quality Improvement Board monitors the quality of services provided. Refreshed Sufficiency Strategy help to ensure a supply of appropriate placements for Durham Children. Regular oversight and monitoring of the Children's Services Improvement Plan. A series of Resource Panels ensures that placements are appropriate and achieve value for money.
26	CYPS	Increasing demand on the Dedicated Schools Grant budget for High Needs Block special educational needs services and inclusive education services may result in adverse impacts on finance and service delivery.	Moderate	Probable	Treat	Current controls: SEND & Inclusion Resources Board. Collaboration with schools to make the HNB more sustainable. Schools Forum Reference Group. Monthly tracker report for SEND & HNB expenditure & forecasting to Programme Board. Programme Management and Performance Management Framework. Monthly highlight reports presented to the Programme Board. Planned Improvements: Continued development and implementation of HNB sustainability projects.
27	NCC	Risk of a suspension notice under Regulation 37, Environmental Permitting Regulations 2016, leading to a partial cessation of operations at Mountsett Crematorium.	Moderate	Possible	The current controls are considered adequate.	Current controls: Temporary cremator installed. Due to COVID-related restrictions for international travel, installation of two new cremators was delayed. Officers from the Council are continuing to liaise with Pollution Control representatives. It is anticipated that, by May 2022, this risk will no longer be relevant as the new cremators will be operational and emissions testing will have been completed.
28	AHS	Risk that the Council is subject to legal challenge by Providers in relation to application of its Residential Care Charging Policy and Deferred Payment Policy.	Major	Unlikely	The current controls are considered adequate.	Current controls: Adult Social Care Residential Care Charging Policy and Deferred Payment Agreement Policy. Specialist legal advice from Barristers. Intensive review of individual cases. Financial Planning to mitigate potential impact. Liaison with other local authorities. Dialogue with providers. Updated guidance on self-funders issues to staff.
29	REG	Serious injury or loss of life due to Safeguarding failure (Transport Service)	Critical	Remote	The current controls are considered adequate.	Current controls: Children's and adults' safeguarding policies. In-house fleet buses are maintained regularly. Contractors are required to maintain vehicles in a safe, roadworthy condition and comply with relevant, statutory provisions. Sample checking of vehicles in co-operation with the Police and the Driver and Vehicle Licensing Agency.

More and Better Jobs

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
30	CYPS	Potential financial and other pressures threaten the viability of some educational providers	Major	Possible	The current controls are considered adequate.	Current controls: School Strategy. Education Review Board. Sustainability Fund (early years providers). New protocols in place to support federations and shared headships. Leadership advisers support to schools. Business Continuity Planning and monitoring. Consultation on amalgamation of schools where opportunities arise.
31	REG	Potential damage to the strength and competitiveness of the Co Durham economy due to changing economic factors following the UK's EU Exit.	Moderate	Probable	Treat	Current controls: Engagement and advice by Business Durham. Weekly Regional Business Intelligence reports to Government. The County Durham Pound project. Business Grant Schemes. Levelling Up process. Planned Improvements: Develop an Economic Strategy. DCC to explore opportunities presented by Devolution Deals. Lobby Government for continuation of funding. Analyse and understand the impact of Levelling Up White Paper.
32	RES	Risk that Council does not fully respond to the drivers of financial hardship, including those caused by the economic impacts of the coronavirus pandemic and wider determinants of poverty to help alleviate the impacts on County Durham residents.	Moderate	Possible	The current controls are considered adequate.	Current controls: Poverty Action Strategy and Plan. Child Poverty Action Plan. Poverty Action Steering Group and Child Poverty subgroup. Partnership working including the Advice in County Durham Partnership and Housing Welfare Reform Group. Covid-19 Community Hub. Various practical, financial and advisory support services. Communications programme. Staff training.
33	CYPS	Pupils may not adequately recover from the impacts of Covid19, leading to ongoing or increased inequality of educational outcomes, restricted employment prospects and an increase in the number of NEETS.	Moderate	Possible	The current controls are considered adequate.	Current controls: Children and Young People Strategic Plan 2019 – 2022. Education Durham Support and Development team. School governing bodies. Children and Young People Overview and Scrutiny Committee. Durham Schools Forum. DurhamWorks programme. Education Endowment Foundation. Teacher Development Trust. Various head teacher associations. Virtual-live training. School improvement plans. Education Durham Performance and Standards team.

Appendix 5: Performance of Risk Management

Performance Indicators - Tangible Measures

Objective: To demonstrate that risks are being effectively managed				
KPI	Measure of Assessment	Target & (Frequency of Measurement)	Last Period	This Period
All risks are reviewed on a continual cycle	Service Risk Review completed each quarter	100% (3 times pa)	100%	100%
Risk mitigation is being implemented as planned	Risk actions on high-scoring risks implemented within target date	Target N/A (3 times pa)	No outstanding actions	No outstanding actions
Risks are being effectively managed	Number of current risks where Net risk scores have reduced over the quarter	Target N/A (3 times pa)	None	None
Contributing to effective corporate governance	Meeting CIPFA governance principles and objectives on risk management	Confirmed in the annual review of the effectiveness of corporate governance (Annual)	None	None
Objective: To ensure that Officers and Members are appropriately skilled in risk management				
KPI	Measure of Assessment	Target & (Frequency of Measurement)	Last Period	This Period
Appropriate staff are adequately skilled in risk management	Number of officers attending risk management training course	Target N/A	No training provided in this period due to the COVID-19 response.	No training provided in this period due to the COVID-19 response.
Members are adequately skilled in risk management	New Members attending risk management training course within 6 months of being elected (for co-opted members, within 6 months of being appointed)	75%	No training provided in this period due to the COVID-19 response.	No training provided in this period due to the COVID-19 response.