

Audit Committee

28 February 2022



**Strategic Risk Management Progress
Report for 2021/22
Review 3: 1 October – 31 December
2021**

Report of Corporate Management Team

Paul Darby, Corporate Director of Resources

Councillor Richard Bell, Cabinet Portfolio Holder for Finance

Purpose of the Report

- 1 This report supports the Council's Risk Management Strategy. It highlights the strategic risks facing the Council and provides an insight into the work carried out by the Corporate Risk Management Group between October and December 2021.

Executive summary

- 2 In line with the constitution and the Corporate Risk Management Strategy, Audit Committee are 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.
- 3 All risks are formally reviewed three times each year, which contributes to improved performance, decision-making and governance. The review of the strategic risk register is overseen by the Corporate Risk Management Group. The member and officer risk champions are the Cabinet Portfolio Holder for Finance (cllr Richard Bell) and Corporate Director of Resources (Paul Darby).
- 4 Since the last update to the committee there are three new risks (energy prices, school improvement grant, HGV drivers) and one amended risk (care providers) that are included in this update.
- 5 There is also an update on Storm Arwen, progress updates on seven other key risk risks (Covid19, Winter planning, A690 land slippage, Government funding, savings plans, and climate change) provided in the report.

- 6 There is a brief update on one emerging risk (health and social care reforms), and an outline of the contingency plans made for potential industrial action.
- 7 In summary, the report outlines that on 31 December 2021, there were 36 risks on the strategic risk register. There are nine key risks, relating to Government funding, health and social care winter planning, COVID-19, Statutory Sufficiency Duty, climate change, energy prices, MTFP savings plans, child safeguarding and vulnerable adults, for which key mitigating actions have been identified.
- 8 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 are included in the report.

Recommendation

- 9 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

- 10 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 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.
- 11 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

- 12 On 31 December 2021, there were 36 risks on the corporate strategic risk register, three more than on 30 September 2021. During the period covered by this report three risks were added, and none were removed.
- 13 In summary, the key risks to the Council are:
- (a) There is significant uncertainty in relation to future funding settlements from government, which will be impacted by the Fair Funding Review.
 - (b) Potential disruption to the Council's and partners' health and social care services during the winter period (H&SC Winter Planning).
 - (c) 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.
 - (d) 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.
 - (e) 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.
 - (f) Potential adverse impact of energy prices increases on Council finances.

- (g) If timely and comprehensive savings plans are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves.
 - (h) Failure to protect a child from death or serious harm (where service failure is a factor or issue).
 - (i) Failure to protect a vulnerable adult from death or serious harm (where service failure is a factor or issue).
- 14 Progress on addressing these key risks is detailed in appendix 3.
- 15 Appendix 3 includes details on three new risks (energy prices, school improvement grant and HGV drivers), one amended risk (care providers), an update on the response to Storm Arwen, progress updates on seven other risks (Covid19, winter planning, A690 land slippage, Government funding, savings plans, and climate change). There is a brief update on one emerging risk (health and social care reforms), and an outline of contingency plans made for potential industrial action.
- 16 A list of all the Council's strategic risks on 31 December 2021, aligned to the corporate themes in County Durham Vision 2035 and the Council Plan, is included in appendix 4.
- 17 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.
- 18 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.

Background papers

- None

Other useful documents

- None

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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 31 December 2021, there were 36 risks on the corporate strategic risk register, three more than on 30 September 2021. During this period three risks were added, and none were removed.

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

Overall number of Strategic Risks on 31 December 2021

Impact					
Critical	1 (1)		4 (4)		1 (1)
Major		6 (4)	4 (4)	3 (2)	
Moderate			12 (12)	4 (5)	1 (0)
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 Fair Funding Review.”

New Risks

- 1 *Potential adverse impact of **energy price increases** on Council finances (**RES**).*

Challenges in the energy industry have made wholesale gas and power markets extremely volatile, with prices hitting a new decade-high in August 2021. The net evaluation of this risk is **moderate impact, highly probable likelihood**, which makes this a **key risk**.

The Council and the North East Procurement Organisation (NEPO) lead the response to this risk on behalf of partners across the region. The North East Directors of Resources Group (DRG) provides strategic direction on energy procurement. In response to current market conditions, the approach to purchasing energy has been modified through the Forward Purchasing Strategy. Collaboration North East, which consists of the heads of procurement across all twelve NE authorities, reports to the DRG and works collaboratively on procurement issues. Support and specialist advice on improving energy efficiency is provided by the Council's Low Carbon team. Future years' budgets will need to be increased to reflect price increases, but the extent to which this is required is being managed through these controls.

- 2 *Government plans to phase out **school improvement grant** by 2024/25 could undermine the Council's ability to support maintained schools effectively (**CYPS**).*

The Government is consulting on proposals to reform how local authorities' improvement functions for maintained schools are funded. The changes, which include possible phasing out of the grant by 2024-25, would have a disproportionately adverse effect on County Durham. Successive reductions of 50% in 2022-23 and 2023-24, would be £400k, meaning the full £800k of funding received in 2021/22 will be lost over the next two years. The net evaluation is **moderate impact, possible likelihood**.

The mitigations include the Monitoring, Intervention and Improvement Protocol, regular visits and liaison with school heads, and increased focus on commercialisation opportunities. The service will also undergo a restructure to adapt to new level of service demand.

- 3 *The national **shortage of HGV drivers** may impact the Council workforce, leading to potential disruption to statutory services (including refuse & recycling, highways gritting and maintenance) (**NCC**).*

The shortage of HGV drivers is linked to the effects of Covid19 and the EU Exit, including competition for labour between industry sectors, delays in driver training and a backlog of tests. Vulnerable Council services include refuse and recycling, strategic waste, highways operations, and clean and green. The net evaluation is **major impact, unlikely occurrence**.

Mitigations include favourable terms and conditions for Council HGV drivers, including a local group task and finish collective agreement. A job re-evaluation in 2020 resulted in pay rises for HGV drivers. Capacity pressures are managed through prioritisation of services, redeployment and engagement with recruitment agencies to recruit drivers. Agency drivers are subject to internal assessment to ensure they have the required level of competence. The Council's contractors have their own contingency plans, and these are regularly monitored by Council officers.

Amended Risk

- 4 *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. (AHS).*

The net risk has been re-evaluated from moderate impact, probable likelihood to **major impact / possible likelihood**.

Current pressures relate to staff absences due to Omicron and rising infection rates across the population. Infection rates and symptoms among patients are generally milder.

The main controls for this risk include market analysis and provider engagement, so that existing and potential providers understand the local context, helping them to shape their business plans to support the council's vision for the future of local public health, social care and housing markets. The Council has links to national policy makers and professional bodies, and ongoing collaboration with providers and health colleagues to share intelligence and understand market sustainability issues.

The County Durham Care Academy, launched in 2019, supports the development of a well-led, skilled and valued adult social care workforce with a range of courses from entry level through to senior leadership and management qualifications.

As part of the Covid response, regular information is collected from providers via the Operating Pressure Escalation Levels tool (OPEL).

OPEL data identifies pressures that providers may have and enables the Council to offer appropriate support and maintain market oversight.

Contingency arrangements are in place for backup care workers and an emergency nurse, and the Council has a process in place should we need to request volunteers to support the care sector.

Storm Arwen

- 5 *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 (NCC).*

The Event and Impacts

In late November 2021, Storm Arwen hit County Durham, bringing gale force winds, heavy rain and heavy snow, resulting in loss of power in around 13,000 households, road closures, and damage to housing and other buildings. In some instances, power was not reinstated for several days.

Risk Management Arrangements

The Civil Contingencies Act 2004 imposes a series of duties on local bodies, including a requirement to assess the risk of an emergency occurring and to maintain emergency response plans. In County Durham and Darlington, the governance framework includes the Strategic Co-ordination Group (SCG) and the Tactical Business Group, which is responsible for delivery and performance management. There is a standing group for each of the following themes: community resilience, health and social care, business continuity, risk assessment, training and exercising, warning and informing, and voluntary emergency liaison. There is also a mutual aid agreement between relevant organisations.

Response

On 1 December 2021, in the wake of Storm Arwen, emergency response plans were deployed when the SCG declared a major incident across County Durham, requesting additional resources to strengthen and accelerate the support provided to communities. Due to the scale of the event, the agencies involved in the response had exhausted all other sources of support, so the Council submitted a request for Military Aid to the Civil Authority (MACA) to the Ministry of Defence on behalf of the Local Resilience Forum.

Vulnerable residents

Partner organisations from the Local Resilience Forum (LRF), supported by 80 army personnel from the Royal Lancers, Teesdale and Weardale Search and Mountain Rescue Team, and community paramedics, helped thousands of vulnerable residents with care packages, welfare checks, advice, information, and support. Council employees supporting these efforts included staff from our neighbourhood warden, community protection, housing, and social care services. Vulnerable residents without power were identified and contacted by Care Connect and customer services teams to offer assistance.

Northern Powergrid reinstated or provided alternative power sources for care homes, and partners worked with local NHS Clinical Commissioning Groups to provide any additional support required.

Other residents with loss of power

A range of help was provided to the worst affected residents, particularly those suffering a power loss in their homes, by LRF partners, including Durham County Council, County Durham and Darlington Fire and Rescue Service, Durham Constabulary, Northumbrian Water, and North East Ambulance Service. Additional support was provided by the Mountain Rescue Service.

Help came in the form of round-the-clock high-visibility patrols in those areas hardest hit, door-to-door visits to check on residents' wellbeing, advice, reassurance, emergency food and support packs (blankets, torches, and other items).

Northern Powergrid provided regular updates to help us track where power was being restored so that resources could be prioritised.

We arranged for hot food trucks to visit affected areas, and community organisations across County Durham opened their doors to offer hot drinks, food, Wi-Fi, phone charging and other vital services.

Specialised needs

Remote and rural locations were especially challenging, and Northumbrian Water, Northumberland Fire and Rescue, County Durham and Darlington Fire and Rescue, and the National Farmers Union supported farmers, particularly those with livestock, affected by loss of water supply. Crews in Weardale also assisted Northumbrian Water in delivering water to farms and remote locations.

Through work with Durham University, up to eight flats were made available as temporary accommodation for families without power.

Public Safety

High winds caused a significant number of trees to fall throughout the county, some resulting in damage to property. Teams across our highways, building services, and clean and green worked alongside the civil contingencies unit to ensure the public remained as safe as possible.

Highways teams continued with their normal winter maintenance schedule, including salting priority one footpaths outside vaccination centres.

Conclusion

On 9 December 2021, the SCG de-escalated the major incident with power having been restored to all residents affected by the storm. LRF Partner organisations continued to offer support to those affected to aid recovery efforts. Debrief exercises are commencing so that agencies can learn from the experience and help improve our response in the future if we experience similar emergencies.

Updates on Developments

- 6 *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 (AHS).*

The Council's response to the pandemic is led by the Director of Public Health. Corporate and multi-agency oversight arrangements are in place through Corporate Management Team, Health Protection Assurance Board, and the Health and Wellbeing Board and Overview and Scrutiny Committee. The Local Resilience Forum (LRF) Strategic Command Group and Tactical Command Group continue to meet, and these groups provide an escalation pathway to regional and national levels.

Vaccination delivery continues with a high uptake and work continues to ensure equity of access for all aspects of the programme. However, the situation remains challenging due to the relaxation of the regulations and restrictions.

Omicron is now the dominant strain, case rates have risen exponentially, and hospital admissions have risen locally in line with the national trend. The Outbreak Control Team and the local tracing partnership, who work in partnership with UKHSA, have revised their delivery model to safely manage increased demand. A key area of focus has been clear public messaging to ensure that recent rapid changes to guidance, policy and self-isolation requirements are understood.

Workforce pressure is a major challenge across all partners and functions. The LRF has asked partner organisations for business continuity risk assessments to be completed, modelling 10, 15 & 20% absence rates and expected impacts on service delivery. The DHSC has issued a range of winter planning guidance, which is being reviewed and implemented by the Local Accident and Emergency Delivery Board.

More recent data shows a gradual decrease in case numbers and this, together with policy changes that reduce self-isolation requirements, has eased workforce pressures. However, pressure remains on the health and social care system, resulting from an increase in hospital admissions and outbreaks in high-risk settings such as care homes, children's residential homes and schools.

7 *Potential disruption to the Council's and partners' health and social care services during the winter period (H&SC Winter Planning) (AHS).*

Partnership working and engagement with the voluntary and community sector on preventative support are key to managing this risk, which is being led by the Local Accident and Emergency Delivery Board (LADB), supported by a range of guidance from the DHSC.

In October 2021, a detailed account of preparations was presented by the CEO of County Durham and Darlington Foundation Trust to Adults Health and Wellbeing Overview and Scrutiny Committee. A cross-partner Task and Finish Group made preparations for responding to an expected surge in demand and for co-ordinating work across partners. A winter planning event was held in December with Sunderland and South Tyneside Councils, and NHS partners to agree local collaboration protocols.

Recent exponential rises in Omicron case rates and rising hospital admissions have severely stretched systems and workforce capacity across all partners and functions. The LADB meets twice weekly to proactively manage pressures and demand, with a key area of focus being safe hospital discharge through twice-daily, multi-agency meetings, and shared staffing resources.

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

Since this risk was added to the corporate risk register in March 2017, the site has been subject to frequent extensive investigations, regular monitoring, repairs and remedial works. Recent activity includes various maintenance works, including resurfacing, kerbing, structural patching, and drainage, which were completed in September 2021. The landowner has undertaken stabilisation works on the slope and introduced weight restrictions on their site. Latest ground monitoring data shows that the slope is stabilising, and the landowner is undertaking further works to enable the access road to be used more widely.

A specialist drainage company has been commissioned to survey both carriageways to check for voids so that necessary repair works can be undertaken. A stakeholder meeting chaired by the Civil Contingencies Unit was held in December 2021 to share information on the implications of a road closure or collapse to identify key staff to be involved in emergency provision, and a desktop planning exercise is agreed for February 2022 to discuss potential emergency plans should a closure be required.

- 9 *There is significant uncertainty in relation to future **funding settlements** from government, which will be impacted by the Fair Funding Review (RES).*

New pressures include high levels of inflation, especially in areas such as energy and construction.

- 10 *If timely and comprehensive **savings plans** are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves (RES).*

New pressures include uncertainty around the health and social care levy and high levels of price inflation.

- 11 *Changing and uncertain economic factors, including levelling up and shared prosperity funding and the impact of the EU exit, may impede the delivery of the countywide **economic strategy**, resulting in damage to the strength and competitiveness of the of the Co Durham economy (**REG**).*

The EU Exit risk, which is compounded by the effects of the Covid19, has been reframed to link with and focus on delivery of the countywide economic strategy.

- 12 *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 (**climate change**) (**NCC**).*

In October 2021, an update on progress of the Climate Emergency Response Plan Year 2 (CERP2) was presented to Environment and Sustainable Communities Overview and Scrutiny Committee, who also considered future challenges for meeting long-term Council and countywide targets. CERP2 will be presented to Cabinet in March 2022. The recent Storm Arwen is a reminder that climate change may alter weather patterns and lead to more frequent occurrences of extreme weather events.

Other Issues

- 13 Potential **industrial action** leading to adverse impacts on service delivery (**RES**).

The trade unions' rejection an offer of a 1.75% pay increase temporarily increased the likelihood of widespread industrial action by Council employees. A Council-wide Working Group was convened and developed contingency plans, informed by consultation with, and involvement of, trade unions and employees.

Due to low turnout in the ballots for industrial action that have so far been completed, the scale of potential action has greatly reduced. Developments continue to be monitored by officers and reported to Corporate Management Team.

Emerging Risk

- 14 *Uncertainties and challenges in relation to the Government's proposed health and social care reforms in England (AHS).*

Recently announced reforms to Adult Social Care will require a managed approach to implementation and potentially additional resources to facilitate, at a time when services are still responding to Covid19 and the associated impacts. The reforms include changes to funding i.e., the introduction of an adult care cost cap, an increase in the means test asset threshold, changes to the approach to self-funders and the introduction of a Fair Cost of Care approach. Additionally, a new assurance approach for Adult Social Care is to be introduced from April 2023.

Also, a delay has recently been announced to the implementation of the Integrated Care System by three months to July 2022.

A full risk assessment will be completed around March 2022, subject to further detailed guidance, covering the implementation and impact of the reforms.

Key Risks

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

Key Risks Matrix

Net Impact					
Critical			R3 COVID-19 R7 Savings Plans R8 Child Safeguarding R9 Vulnerable Adults		Risk 1 Government Funding
Major				R2 Winter Planning R4 Sufficiency Duty R5 Climate Change	
Moderate					Risk 6 Energy Prices
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	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 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 the pandemic and in relation to changes relating to the Health and Social Care levy.		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
2	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 (H&SC Winter Planning).	Major	Probable	<p>Partnership working and engagement with the voluntary and community sector on preventative support. Local Accident and Emergency Delivery Board (LADB), supported by a range of guidance from the DHSC.</p> <p>In October 2021, a detailed account of preparations was presented to Adults Health and Wellbeing Overview and Scrutiny Committee. A cross-partner Task and Finish Group made preparations for responding to an expected surge in demand and for co-ordinating work. Winter planning event held in December 2021 with Sunderland and South Tyneside Councils, and NHS partners to agree local collaboration protocols.</p> <p>The LADB meets twice weekly to proactively manage pressures and demand, with a key area of focus being safe hospital discharge through twice-daily, multi-agency meetings, and shared staffing resources.</p>		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
3	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	<p>Pandemic response led by the Director of Public Health. Corporate and multi-agency oversight arrangements (Corporate Management Team, Health Protection Assurance Board, Health & Wellbeing Board, Overview & Scrutiny Committee). Local Resilience Forum Strategic Command Group and Tactical Command Group.</p> <p>Vaccination programme to ensure equity of access. Outbreak Control Team and the local tracing partnership work with UKHSA to manage increased demand. Clear public messaging to ensure that guidance, policy and self-isolation requirements are understood.</p> <p>Business continuity risk assessments modelling absence rates and expected impacts on service delivery. DHSC winter planning guidance is implemented by Local Accident and Emergency Delivery Board.</p>		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
4	CYPS Risk Owner: Helen Fergusson John Pearce, Jane Robinson		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	<p>The Council has developed a Sufficiency Strategy which sets out how it will address the risk at a local level, which includes a focus on recruitment and retention of foster carers and the development of residential accommodation options for young people. The Council will establish a Sufficiency Board in 2022 to provide additional corporate strategic oversight and leadership.</p> <p>A range of initiatives are planned to support the recruitment and retention of fosters carers including the introduction of the Mockingbird model and implementing the actions from a Peer review exercise. Sufficiency of children's care placements is an issue which has also been recognised at national level and the government has initiated the Care Review which will report in 2022. The Council is undertaking an external review of the systems and processes in place to support Children's Commissioning.</p>		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
5	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 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 (climate change).	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.

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	RES Risk Owner: Darren Knowd	Cross-cutting	Excellent Council	Potential adverse impact of energy price increases on Council finances.	Moderate	Highly Probable	The Council and the North East Procurement Organisation (NEPO) lead the response to this risk on behalf of partners. The North East Directors of Resources Group (DRG) provides strategic direction on energy procurement. In response to current market conditions, the approach to purchasing energy has been modified through the Forward Purchasing Strategy. Collaboration North East, which consists of the heads of procurement across all twelve NE authorities, reports to the DRG and works collaboratively on procurement issues. Support and specialist advice on improving energy efficiency is provided by the Council's Low Carbon team. Future years' budgets will be increased to reflect price increases.	New risk	The duration of this risk is uncertain, but the indications are that it will continue for the next two years. Markets are unstable and prices are still rising.

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
7	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.
8	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 has been completed reported during 2020/21.		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
9	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 (per Corporate Theme)

Based on the net risk assessment on 31 December 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 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	Potential adverse impact of energy price increases on Council finances	Moderate	Highly Probable	The current controls are considered adequate.	See key risk schedule in appendix 3.
4	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.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
5	REG	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.
6	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: Review emergency on-call rotas, provide refresher training.
7	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.
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.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
9	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. Potentially Violent Persons Register. Guidance to employees and elected members. Violence and Aggression accident and incident reporting procedure. Physical security features on Council premises. Collaboration with Durham Police re intelligence, where appropriate. Civil action against individuals, where appropriate. Security Strategy and Policy. Security assessment of customer access related premises. Violence and aggression related guidance, support and inductions for members.
10	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)
11	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.
12	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.
13	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.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
14	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.
15	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.
16	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.
17	NCC	The national shortage of HGV drivers may impact the Council workforce, leading to potential disruption to statutory services (including refuse & recycling, highways gritting and maintenance).	Major	Unlikely	The current controls are considered adequate.	Current controls: Favourable terms and conditions, including a local group task and finish collective agreement. A job re-evaluation in 2020 resulted in pay rises for HGV drivers. Capacity pressures are managed through prioritisation of services, redeployment and engagement with recruitment agencies to recruit drivers. Agency drivers are subject to internal assessment to ensure they have the required level of competence. The Council's contractors have their own contingency plans, and these are regularly monitored by Council officers.

Connected Communities

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
18	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.
19	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. Planned improvements: Install carriageway monitoring devices. Develop road closure contingency plans.
20	CYPS	Inability to recruit 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. Planned improvements: Develop webpage to improve appeal to prospective candidates. Review induction process.

Long and Independent Lives

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
21	AHS	Potential disruption to the Council's and partners' health and social care services during the winter period (H&SC Winter Planning).	Major	Probable	Treat	See key risk schedule in appendix 3.
22	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.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
23	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 (climate change).	Major	Probable	Treat	See key risk schedule in appendix 3.
24	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.
25	CYPS	Inability to recruit and retain children's social workers and social work managers may seriously inhibit the delivery of services. Gill requesting an update	Moderate	Probable	Treat	Current controls: Social Work (SW) Academy. Regional agreement on agency payments. Recruitment and Selection Policy and guidance. Monitoring competitiveness of grades / pay rates. Recruitment and retention (R&R) for specified roles. Supporting various routes into SW. Management development to ensure SWs are well supported. Supervision framework. Planned improvements: Ongoing risk assessment to determine if extensions to R&R allowances are justified. Develop leadership academy to support front line managers. Agreement to recruit to SW posts over current establishment to enable vacancies to be filled as they arise. Review capacity of service and teams with proposals to change team boundaries and increase SW capacity. Restructure the children in care service to increase capacity and create smaller teams with manageable caseloads. Recruitment of SW students into unqualified support worker roles to support management of demand. Recruit temporary additional business support capacity to support teams where demand is high.
26	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 outturn forecasts monitored by CMT. Quality Improvement Board. Children's Services Improvement Plan. Oversight by CMT, Cabinet, DSCP & partners. Fostering & Adoption Strategies. Placement Resource Panel. Risk-based approach to identifying children to be looked after. Placement Efficiency Strategy. Pre-Birth Service.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
27	CYPS	R0671 - 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.
28	NCC	R0680 - 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.
29	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.
30	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.	Major	Possible	The current controls are considered adequate.	Current controls: Market analysis and engagement, to help providers understand the local context and align business plans with the council's vision for the future of local public health, social care and housing markets. Links to national policy makers and professional bodies, collaboration with providers and health colleagues to share intelligence and understand market sustainability issues. County Durham Care Academy supports the development of an adult social care workforce with a range of courses. As part of the Covid response, regular information is collected from providers via the Operating Pressure Escalation Levels tool to identify provider pressures, enabling the Council to offer appropriate support and maintain market oversight. Contingency arrangements are in place for backup care workers and an emergency nurse, and a process is in place to request volunteer support.
31	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
32	CYPS	Potential financial and other pressures threaten the viability of some education 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.
33	REG	Changing and uncertain economic factors, including levelling up and shared prosperity funding and the impact of the EU exit, may impede the delivery of the countywide economic strategy , resulting in damage to the strength and competitiveness of the of the Co Durham economy	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.
34	CYPS	Government proposals to phase out school improvement grant by 2024/25 could undermine the Council's ability to support maintained schools effectively.	Moderate	Possible	Treat	Current controls: The mitigations include the Monitoring, Intervention and Improvement Protocol, regular visits and liaison with school heads, and increased focus on commercialisation opportunities. Planned improvements: The service will also undergo a restructure to adapt to new level of service demand.
35	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 Charter and Action Plan. Covid-19 Poverty Action Plan. Poverty Action Steering Group. Housing Welfare Reform Group triage process. Emergency Food Group. Child Poverty Group. Covid-19 Community Hub. Various practical, financial and advisory support services. Communications programme. Staff training.
36	CYPS	UR0149 - 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: CYP Strategic Plan 2019 – 2022. Education Durham Support and Development team. School governing bodies. CYP O&SC. 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.