

## **Audit Committee**

**30 September 2022**

### **Strategic Risk Management Progress**

**Report for 2022/23**

**Review 1: 1 January – 31 May 2022**



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## **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 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 January and May 2022.

### **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,
  - (a) five new risks have been added (construction industry price inflation, homelessness, leisure/retail units, Ash Dieback Disease, and demand for children's safeguarding services),

- (b) three risks have been amended (poverty, energy prices, urgent and emergency care services), and
  - (c) two risks have been closed (Covid19, suspension notice).
- 5 There are updates on eleven risks (climate change, major incident, health and safety breach, care providers, A690 land slippage, economic strategy, residential care charging policy, school improvement grant, violence and aggression, residential children's homes staff, HGV drivers) provided in the report. Following a request by Audit Committee in February 2022, a location plan for the A690 land slippage is attached in appendix 6 together with an illustration showing the slip details. One emerging risk has been highlighted (adult social care charging reforms).
- 6 In summary, the report outlines that on 31 May 2022, there were 39 risks on the strategic risk register. There are nine key risks, relating to Government funding, construction industry price inflation, energy prices, urgent and emergency care services, statutory sufficiency duty, climate change, child safeguarding, MTFP savings plans and vulnerable adults, for which key mitigating actions have been identified.
- 7 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**

- 8 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

- 9 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.
- 10 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

- 11 On 31 May 2022, there were 39 risks included on the corporate strategic risk register, three more than on 31 December 2021. During the period covered by this report five risks have been added, and two removed.
- 12 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 upcoming Fair Funding Review and by the allocation of funding from the Health and Social Care Levy.
  - (b) Limited product availability and price increases in the **construction industry** may disrupt or inhibit the delivery of capital projects by the Council through external procurement routes and through the in-house construction delivery arms within both Corporate Property and Land and Highway Services.
  - (c) Potential adverse impact of **energy price increases** on Council finances and service delivery.
  - (d) Potential disruption to the Council's and partners' **urgent and emergency care services** due to backlogs caused by Covid, increased demand and staff capacity issues.
  - (e) 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.

- (f) 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 2045 (**climate change**).
- (g) **Failure to protect a child** from death or serious harm (where service failure is a factor or issue).
- (h) If timely and comprehensive **MTFP savings plans** are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves.
- (i) 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.

- 13 Appendix 3 includes details on five new risks (construction industry price inflation, homelessness, leisure/retail units, Ash Dieback Disease, demand for children’s safeguarding services), three amended risks (poverty, energy prices, urgent and emergency care services), and two closed risks (Covid19, suspension notice). There are progress updates on eleven other risks (climate change, major incident, health and safety breach, care providers, A690 land slippage, economic strategy, residential care charging policy, school improvement grant, violence and aggression, residential children’s homes staff, HGV drivers) included in the report. Following a request by Audit Committee in February 2022, a location plan for the A690 land slippage is attached in appendix 6 together with an illustration showing the slip details. One emerging risk has been highlighted (adult social care charging reforms).
- 14 A list of all the Council’s strategic risks on 31 May 2022, aligned to the corporate themes in County Durham Vision 2035 and the Council Plan, is included in appendix 4.
- 15 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.

- 16 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**

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### **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

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## **Appendix 2: How the Risk Management Framework operates**

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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 May 2022, there were 39 risks on the corporate strategic risk register, three more than on 31 December 2021. During this period five risks were added and two were removed.

The following matrix profiles the strategic risks according to their net risk evaluation on 31 May 2022. To highlight changes in each category during the last period, the number of risks on 31 December 2021 is shown in brackets.

### Overall number of Strategic Risks on 31 May 2022

Impact					
Critical	1 (1)		3 (4)		2 (1)
Major		5 (6)	5 (4)	3 (3)	1 (0)
Moderate			12 (12)	7 (4)	0 (1)
Minor					
Insignificant					
<b>Likelihood</b>	Remote	Unlikely	Possible	Probable	Highly Probable

In the above matrix, the risks assessed as Critical/Highly Probable are,

- There is significant uncertainty in relation to future funding settlements from government, which will be impacted by the upcoming Fair Funding Review and by the allocation of funding from the Health and Social Care Levy.
- Limited product availability and price increases in the construction industry may disrupt the delivery of capital projects by the Council through external procurement routes and through the in-house

construction delivery arms within both Corporate Property and Land and Highway Services.

## New Risks

- 1 *Limited product availability and price increases in the **construction industry** may disrupt the delivery of capital projects by the Council through external procurement routes and through the in-house construction delivery arms within both Corporate Property and Land and Highway Services (REG).*

The net risk evaluation is **critical impact, highly probable likelihood**, which makes this a key risk. This risk is driven by a range of market factors that are driving inflationary price increases. These include EU exit, the war in Ukraine, extremely high levels of post-Covid demand, rising oil and gas prices, and increased shipping costs. There are additional design costs to meet the requirements of the Path to Net Zero Carbon Policy. The risk will undoubtedly have a critical impact on the Council's capital programme.

Capital schemes are prioritised in line with the medium-term financial plan, which is monitored by CMT with oversight from the Member Officer Working Group. The potential impact on in-progress and committed projects has been evaluated and will be subject to ongoing monitoring. The Council follows Government guidance issued through the Construction Leadership Council entitled, "CLC Plan to Mitigate the Impact of Construction Inflation".

Options to be considered may include potential scaling back of the capital programme and/or delaying some of the projects. The service will seek to reduce risk exposure through changes to forward planning, placing advance orders and timely communications with clients and supply chain partners. Customised financial guidance for budget holders will include inflation forecasts and contingency budgeting.

- 2 *Financial and other pressures on tenants may cause a rise in the number of evictions and repossessions, leading to a significant increase in **homeless presentations** and pressure on housing support services (REG).*

The net risk evaluation is **moderate impact, probable likelihood**. This risk was first highlighted as a Covid-related issue during 2020 and the Government introduced temporary measures to prevent evictions taking place during this time. Since the temporary restrictions were lifted the increase in homeless presentations has continued during the current cost of living crisis. There are various triggers, including the ending of

private rented tenancies due to rent arrears, people at risk of losing their home due to mortgage arrears, violent and non-violent relationship breakdowns, and families no longer able or willing to provide accommodation.

The number of people in temporary accommodation is larger than normal and, for reasons not yet understood, there is a shortage of vacant accommodation in the private and social sectors. The opportunities for extending the remit of the County Durham Lettings Agency, part of the Council's housing service, are currently being reviewed to consider the purchase of further accommodation to discharge homelessness duties. We are also working to address these issues with housing providers, who are fully aware of the pressures and demand for accommodation. Current caseloads are around 100 per full-time equivalent staff, compared to the standard of around 50 cases.

The Housing Solutions service supports residents who are in financial difficulty and at risk of homelessness, including referrals to organisations providing advice and support on subjects such as housing, finance, financial management, employment, energy/fuel, foodbanks, furniture schemes. The Housing Poverty Group meets every six weeks to consider issues relating to poverty, share best practice and promote joint working. Partnership working with social housing providers seeks to understand, raise awareness and respond to key issues. The Stop B4U Serve initiative encourages landlords and tenants to approach the Council about potential eviction notices to consider alternatives. We have implemented various Government-funded initiatives to support vulnerable/excluded groups (e.g., Rough Sleeping, Move On Fund). County Durham Lettings Agency accommodates and supports vulnerable individuals who cannot access mainstream housing.

Training and awareness are being provided to enable front line staff to support and work collectively with partners, and we are monitoring the number of presentations from people at risk of losing their home through mortgage arrears. The recruitment of additional temporary staff is also underway.

A more detailed account of the Council's response to the increase in homeless presentations can be found in paragraphs 53 to 65 of the [Quarter Four, 2021/22 Performance Management Report](#) to Cabinet on 15 June 2022.

- 3 *Increased difficulty in retaining or finding tenants for Council-owned **leisure/retail units**, leading to an increased risk of medium to long term losses in revenue (REG).*

The net risk evaluation is **moderate impact, probable likelihood**. Current economic conditions including inflation, labour shortages and the impacts of the Covid19 pandemic have led to increased difficulty in retaining or finding tenants for Council-owned leisure/retail units, leading to an increased risk of medium to long term losses in revenue. Proactive marketing of units is undertaken through a specialist external agency. Regular progress reports are submitted to senior management.

4 *Potential impacts of the spread of Ash Dieback Disease on the environment, public safety, and Council finances (NCC).*

The net risk evaluation is **moderate impact, possible likelihood**. Ash dieback is a fungal disease, first found in the UK 20 years ago, particularly in the south, and can now be found across County Durham. It has the potential to cause significant damage to the County's ash population, with implications for woodland biodiversity and ecology, landscape and townscape character. There are also potential public safety implications and additional resources will be required to manage trees and woodlands, and to prevent accidents.

An Ash Dieback Management Plan is being developed as part of the Tree and Woodland Strategy, and a proactive inspection regime for trees owned or managed by the Council is being developed. Management of woodland estate will be enhanced through Woodland Management Grants, and a programme of tree and woodland planting on 70 hectares of council land is being delivered between 2020 and 2024.

Additional permanent staff have been appointed to support tree inspections as well as temporary staff to support woodland management and tree planting. Potential insurance claims arising from the Ash Dieback situation have been discussed with the Council's insurer, who has been informed of the Council's tree management arrangements.

5 *Increase in volume and complexity of demand for children's safeguarding services post coronavirus period (CYPS).*

The net risk evaluation is **moderate impact, possible likelihood**. This risk, which was first highlighted during the height of the Covid19 pandemic, has more recently been exacerbated by high inflation and the impacts of poverty, including abuse, neglect and mental health issues. To strengthen Families First services, additional management capacity has been provided and the number of teams has been increased from 14 to 15. A growth bid to strengthen children's social

care capacity has been agreed. Robust processes in place at First Contact and MASH to assess new referrals, while trends and patterns are monitored regularly to ensure managers are sighted on peaks and troughs. Weekly discussions are also held with safeguarding partners.

## Amended Risks

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

The net risk evaluation has been **uprated from moderate impact / highly probable likelihood to major / highly probable**. This reflects potential premises disruption (e.g., relocating services to minimise consumption and temporarily mothballing of some premises) and potential impacts on stakeholders (e.g., academies, town and parish councils, and employees).

The Future Buying Strategy has been amended so that, by increasing hedging ratios (the proportion of energy bought prior to delivery compared to on the 'day ahead market'), financial uncertainty is reduced. From April 2022, a monthly statement is being sent to every internal and external site on the contract so that potential overspends can be identified sooner and consumption modified, where possible.

- 7 *Potential disruption to the Council's and partners' **urgent and emergency care services** due to backlogs caused by Covid, increased demand and staff capacity issues (AHS).*

The description of this key risk has been modified to better reflect the causes (Covid backlogs, increased demand, staffing capacity) and that they are not restricted to the winter period.

- 8 *Risk that Council does not fully respond to the drivers of financial hardship, including those caused by the 'cost of living crisis', the ongoing impacts of the coronavirus pandemic and wider determinants of **poverty** to help alleviate the impacts on County Durham residents (RES).*

The net likelihood has been **uprated from possible to probable**. Several factors have been influencing financial insecurity recently, including the continued impact of the Covid pandemic, rising living costs especially in relation to food, fuel, energy and utility costs, and the economic uncertainty arising from events in the Ukraine which is compounding the squeeze on household budgets.

Work continues through the Poverty Action Steering Group to ensure there is a coherent and co-ordinated strategic approach, both within the

council and across our partners to address poverty across County Durham. In April 2022, Cabinet granted approval to consult on a revised County Durham Poverty Action Plan which sets out a comprehensive response to the impacts of the wide-ranging poverty issues within the county. The updated strategy and action plan are due to be reported back to Cabinet in October / November.

## Closed Risks

- 9 *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 (**Corporate Management Team**).*

This risk has been closed following a decision by Corporate Management Team to discontinue the Covid risk register and for significant, residual Covid risks to be managed through existing business as usual processes. This followed the Government's publication, in February 2022, of the Spring Plan: Living with Covid, which removed all remaining domestic restrictions, while encouraging safer behaviours through public health advice.

- 10 *Risk of a **suspension notice** under Regulation 37, Environmental Permitting Regulations 2016, leading to a partial cessation of operations at Mountsett Crematorium (**NCC**).*

This risk has been closed as the two new cremators have been operational for several months and emissions testing is complete and in compliance with the Environmental Permitting Regulations 2016.

## Updates on Developments

- 11 *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 2045 (**climate change**) (**NCC**).*

This is a key risk. Climate change targets are being reviewed for inclusion in the Climate Change Emergency Response Plan – Year 2 Update, which was considered by Cabinet in June 2022.

- 12 *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**).*

A review of the response to Storm Arwen by the Council and partners was reported to Cabinet on 13 July 2022.

- 13 *Potential **violence and aggression** towards members and employees from members of the public (REG).*

All newly elected members have had induction training, including violence and aggression risk management.

- 14 *Serious **breach of Health and Safety Legislation** (REG).*

A new Health and Wellbeing Strategy is being developed and consulted on. The Employee Working Well survey on Health and Safety Executive stress management standards will be re-run, following on from the initial survey in 2017.

- 15 *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).*

When the risk was reviewed in May, there was a handful of vacancies, all in the Refuse and Recycling service, but this was not due to any recruitment problems at that time. Plans to train internal employees are being considered to complement existing internal HGV drivers.

- 16 *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).*

The A690 was constructed during the 1970s on a disused railway and has a recorded history of ground movements, which have resulted in structural repairs being required to maintain the carriageway, associated highway drainage and the nearby Northern Powergrid Training Centre. The road is built on a hillside and over recent years has suffered structural failure, which is understood to be due to movement of the supporting embankment.

Several small-scale highway maintenance schemes have been undertaken on defects which have formed in the carriageway to restore it to a serviceable condition. Additional remote monitoring stations have been installed across the site to monitor movement and the stability of the supporting embankment. A multi-agency contingency planning exercise was also undertaken in March 2022 to coordinate planning between the highways authority, utility companies and the emergency services, in the event that the road needed to close.

Consultants are being engaged to provide a costed solution to the permanent stabilisation of the embankment ahead of including this scheme in a Levelling Up 2 funding bid to Central Government. Bids

were submitted in Summer 2022, with successful applications expected to be notified in October 2022.

Following a request by Audit Committee in February 2022, a location plan is attached in appendix 6 together with an illustration showing the slip details.

- 17 *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**).*

Consultation titled 'Our Big E-Conversation' started on 31 January 2022 and finished at the end of April. This included a wide range of workshops and meetings with varied stakeholders. The results of the exercise are being collated and analysed and an initial 'straw man' of an Economic Strategy is being developed. There will be further consultation during the summer with Cabinet considering a report later in the year.

Shared Prosperity Fund grant allocations were announced recently, where County Durham has been awarded around £34 million of funding – roughly half of the previous EU funding levels and substantially less than what we would have received had the UK remained within the EU given the enhanced status level the Council was due to be awarded.

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

The Government has consulted on proposals to reform how local authorities' improvement functions for maintained schools are funded and the outcome is that the grant for school improvement support will be withdrawn by 2024/25. This will have a disproportionately adverse effect on County Durham because of the high number of maintained schools. Successive reductions of 50% in 2022-23 and 2023-24 amount to £400k then £800k respectively and will make it difficult to maintain service levels around the high proportions of maintained schools with the staffing reductions required.

An option to de-delegate funds from maintained schools was considered but rejected in favour of a service restructure after consultation with schools and other education providers to ensure that they remain fit for purpose. The restructure has been finalised and interviews for new posts will be completed by the end of June 2022. The new structure will enable significant staffing cost savings and is

designed to provide support to schools and educational settings at reduced cost and economies of scale.

- 19 *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).*

Recruitment and retention of care employees continues to be an issue. Care home providers regard the Council's fee increase offer as unsatisfactory and an application for judicial review is being made against the decision (this application does not apply to the domiciliary care market).

The Government's Fair Cost of Care reforms aim to enable local authorities to begin preparing local markets for reform and move towards paying providers a fair rate that reflects the actual cost of delivery of care. Local authorities will be required to undertake a cost of care exercise and make a submission to the DHSC with a provisional market sustainability plan and a spend report.

- 20 *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 (CYPS).*

A specialist recruitment agency has been commissioned to identify and recruit residential workers, and this has proved extremely positive with consistently successful recruitment campaigns month on month. This service will continue to be utilised to enable stabilisation of the workforce across the five existing homes and the new Transition Home until the contract concludes in September 2022. The Early Help, Inclusion and Vulnerable Children service will be represented on the new Corporate Recruitment and Retention Working Group.

- 21 *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** (CYPS).*

The Government's Fair Cost of Care reforms aim to enable local authorities to begin preparing local markets for reform and move towards paying providers a fair rate that reflects the actual cost of delivery of care. Local authorities will be required to undertake a cost of care exercise and make a submission to the Department of Health and Social Care with a provisional market sustainability plan and a spend report. From October 2023, service users will be able to opt to be included in the Council's contract and pay fees at the contract rate.

In the meantime, regular discussions continue to be held between relevant services with the aim of ensuring that decisions are made in compliance with the Council policies. Decisions on new cases are subject to approval by interdisciplinary self-funder panels and all potential self-funder cases that remain on the Council contract are checked periodically by senior officers.

## **Emerging Risk**

### **22** *Uncertainty and challenges around Government plans to introduce reforms to the system for charging for adult social care (AHS).*

The changes include a cap on personal care costs, which will place a limit on the amount that people will need to spend to meet their eligible care and support needs. From October 2023, anyone assessed as having eligible care and support needs, either new entrants or existing social care users, will begin to progress towards the cap. To enable this, the Council will be required to create a personalised care account for each individual and monitor their progress towards the cap. People who currently meet their eligible needs themselves will need to be identified, to ensure that they can begin progressing towards the cap from the point it comes into effect. Other challenges include the tight timescale, additional workloads, meeting public expectations and the development and implementation of new or enhanced software applications.

Project governance arrangements are in place and implementation risks will be kept under review and, if necessary, escalated to the corporate risk register.

## Key Risks

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

### Key Risks Matrix

<b>Net Impact</b>					
Critical			R7 Child Safeguarding R8 Savings Plans R9 Vulnerable Adults		Risk 1 Govt Funding  R2 Construction Industry
Major				R4 Emergency Services R5 Sufficiency Duty R6 Climate Change	R3 Energy Prices
Moderate					
Minor					
Insignificant					
<b>Net Likelihood</b>	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	Our Council - Durham County Council has a reputation for listening to its residents, being well-managed and getting things done	R0595 - There is significant uncertainty in relation to future <b>funding settlements</b> from government, which will be impacted by the Fair Funding Review and by the allocation of funding from the Health and Social Care Levy.	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	REG  Risk Owner: Susan Robinson	Cross-cutting	Our Economy - Durham has a thriving and inclusive economy with more and better jobs and fewer people suffering from the hardships of poverty and deprivation / A strong, competitive economy where County Durham is a premier place in the North-East to live and do business	UR0161 - Limited product availability and price increases in the <b>construction industry</b> may disrupt the delivery of capital projects by the Council either through external procurement routes or through the in-house construction delivery arms within both Corporate Property and Land and Highway Services.	Critical	Highly Probable	Capital schemes are prioritised in line with the medium-term financial plan, which is monitored by CMT with oversight from the Member Officer Working Group. The potential impact on in-progress and committed projects was evaluated and reported to CMT in January 2022. The Council follows Government guidance issued through the Construction Leadership Council entitled, "CLC Plan to Mitigate the Impact of Construction Inflation". The service receives specialist support from the Corporate Procurement and Corporate Finance teams. The capital programme will be scaled back where possible, and some projects will be delayed until the global market stabilises. The service will seek to reduce risk exposure through changes to forward planning, placing advance orders and timely communications with clients and supply chain partners. Customised financial guidance for budget holders will include inflation forecasts and contingency budgeting.	New risk	The duration of this risk is uncertain, but it is expected to continue for several 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
3	RES  Risk Owner: Darren Knowd	Cross-cutting	Our Council - Durham County Council has a reputation for listening to its residents, being well-managed and getting things done	UR0153 - Potential adverse impact of <b>energy price increases</b> on Council finances.	Major	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.	Net impact increased from minor to major.	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
4	AHS Risk Owner: Jane Robinson	Service-specific	Our People - Durham is a place where people will enjoy fulfilling, long and independent lives	UR0158 - Potential disruption to the Council's and partners' <b>urgent and emergency care services</b> due to backlogs caused by Covid, increased demand and staff capacity issues.	Major	Probable	A detailed account of preparations was presented to Adults, Health and Wellbeing Overview and Scrutiny Committee (OSC) on 1 October 2021 by the CEO, County Durham and Darlington Foundation Trust. A cross-partner Task and Finish Group (T&F) operated up to 31 October 2021 to prepare for the expected surge in demand and to co-ordinate work across partners. The T&F Group has met to bring plans together in one place, to share information and to prepare reports to be presented to OSC and the Health and Well-Being Board. Partnership working is key to managing this risk and includes engagement with the Local Accident and Emergency Delivery Board, jointly developing improvement plans, and engaging with the voluntary and community sector on preventative support.		The duration of this risk is uncertain.

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	CYPS  Risk Owner: John Pearce, Jane Robinson	Service-specific	Our People - Durham is a place where people will enjoy fulfilling, long and independent lives	R0659 - Risk of being unable to meet the authority's <b>statutory sufficiency duty</b> to provide sufficient accommodation in the local authority area to meet the needs of Children Looked After and children in need.	Major	Probable	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.		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	NCC  Risk Owner: Alan Patrickson	Cross-cutting	Our Environment - Durham has taken action to tackle the climate emergency, reduce the impact of pollution and waste on our county and protect, restore and sustain our natural environment	R0684 - 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 2045 ( <b>climate change</b> ).	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
7	CYPS Risk Owner: John Pearce	Service-specific	Our People - Durham is a place where people will enjoy fulfilling, long and independent lives	0227 - <b>Failure to protect a child</b> 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.
8	RES Risk Owner: Jeff Garfoot	Cross-cutting	Our Council - Durham County Council has a reputation for listening to its residents, being well-managed and getting things done	R0561 - If timely and comprehensive <b>savings plans</b> 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.

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	Adult and Health Services / Adult Care  Risk Owner: Lee Alexander	Service-specific	Our People - Durham is a place where people will enjoy fulfilling, long and independent lives	R0562 - Failure to protect a <b>vulnerable adult</b> 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 31 May 2022, the following tables highlight the risks for each Corporate Theme in County Durham Vision 2035 and the Council Plan.

**Corporate Theme: Our Council - Durham County Council has a reputation for listening to its residents, being well-managed and getting things done**

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
1	RES	R0595 - There is significant uncertainty in relation to future <b>funding settlements</b> from government, which will be impacted by the upcoming Fair Funding Review and by the allocation of funding from the Health and Social Care Levy.	Critical	Highly Probable	Treat	See key risk schedule in appendix 3.
2	RES	UR0153 - Potential adverse impact of <b>energy price increases</b> on Council finances.	Major	Highly Probable	Treat	See key risk schedule in appendix 3.
3	RES	R0561 - If timely and comprehensive <b>savings plans</b> 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	REG	R0614 - Potential serious injury or loss of life due to the Council failing to meet its statutory, regulatory and best practice responsibilities for <b>property and land</b> .	Major	Possible	Treat	<b>Main controls:</b> Unitised Corporate Property and Land Service, asset database, training programme. Capitalised maintenance programme. Incident reporting and monitoring in collaboration with relevant parties, where appropriate. <b>Planned improvements:</b> 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	R0565 - Breach of duty under Civil Contingencies Act by failing to prepare for, respond to and recover from a <b>major incident</b> , leading to a civil emergency.	Major	Possible	Treat	<b>Main controls:</b> 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. <b>Planned improvements:</b> Provide refresher training.
6	REG	UR0169 - Increased difficulty in retaining or finding tenants for Council-owned <b>leisure/retail units</b> , leading to an increased risk of medium to long term losses in revenue.	Moderate	Probable	The current controls are considered adequate.	New Risk <b>Main controls:</b> Marketing Strategy. Proactive marketing of units through a specialist external agency. Where appropriate, tailored incentives for potential tenants. Budget monitoring and control. Regular progress reports to senior management.
7	REG	R0681 - Potential <b>violence and aggression</b> towards members and employees from members of the public	Moderate	Possible	The current controls are considered adequate.	<b>Main controls:</b> 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.
8	NCC	R0589 - <b>Failure to consult</b> with communities on major service & policy changes leading to legal challenge & delays in implementation	Moderate	Possible	The current controls are considered adequate.	<b>Main controls:</b> 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).
9	REG	R0611 - Serious <b>breach of Health and Safety</b> Legislation	Moderate	Possible	The current controls are considered adequate.	<b>Main controls:</b> 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.
10	RES	R0649 - Potential significant size and scope of the liabilities of <b>equal value claims</b>	Moderate	Possible	The current controls are considered adequate.	<b>Main controls:</b> 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.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
11	RES	R0657 - If the Council suffered a successful <b>cyberattack</b> or IT security breach, then it may be unable to effectively deliver essential services.	Major	Unlikely	The current controls are considered adequate.	<b>Main controls:</b> In June 2022, Cabinet approved a new cyber security strategy, which will be underpinned by the implementation programme. 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.
12	RES	R0440 - 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 <b>fraud and corruption</b> .	Moderate	Possible	The current controls are considered adequate.	<b>Main controls:</b> 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.
13	NCC	R0633 - Failure to prepare for, respond to and recover from a disruptive event, leading to a major <b>interruption</b> to the provision of essential services by the Council.	Major	Unlikely	Treat	<b>Main controls:</b> 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. <b>Planned improvements:</b> develop a business continuity e-learning package for senior managers.
14	RES	R0655 - Potential <b>breach of the Data Protection Act 2018</b>	Major	Unlikely	The current controls are considered adequate.	<b>Main controls:</b> 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.
15	NCC	UR0151 - The national shortage of <b>HGV drivers</b> 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.	<b>Main controls:</b> 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.

**Corporate Theme: Our Communities - Durham is a great county in which to live, with flourishing communities which are connected and supportive of each other**

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
16	NCC	R0641 - Potential progressive <b>land slippage</b> near the A690 may develop to an extent where a major road closure is necessary for repairs to be undertaken.	Major	Possible	Treat	<b>Main controls:</b> 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 communication between Strategic Highways Team and nearby property occupier. <b>Planned improvements:</b> Continued Embankment monitoring. Develop road closure contingency plans. Develop designs and estimates for permanent stabilisation of the embankment with a view to submitting an application through the Government's Levelling up Fund Round 2 process.
17	RES	R0470 - <b>Failure to consider equality</b> implications of decisions on communities leading to successful legal challenge and delays in implementation	Moderate	Possible	The current controls are considered adequate.	<b>Main controls:</b> 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.

**Corporate Theme: Our Economy - Durham has a thriving and inclusive economy with more and better jobs and fewer people suffering from the hardships of poverty and deprivation**

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
18	REG	UR0161 - Limited product availability and price increases in the <b>construction industry</b> may disrupt the delivery of capital projects by the Council either through external procurement routes or through the in-house construction delivery arms within both Corporate Property and Land and Highway Services.	Critical	Highly Probable	Treat	New risk - see key risk schedule in appendix 3.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
19	REG	UR0166 - Financial and other pressures on tenants may cause a rise in the number of evictions and repossessions, leading to a significant increase in <b>homeless presentations</b> and pressure on housing support services.	Moderate	Probable	Treat	<p><b>Main controls:</b> The Housing Solutions service supports residents who are in financial difficulty and at risk of homelessness, including referrals to organisations providing advice and support on subjects such as housing, finance/financial management, employment, energy/fuel, foodbanks, furniture schemes. The Housing Poverty Group meets every six weeks to consider issues relating to poverty, share best practice and promote joint working. Partnership working with social housing providers to understand, raise awareness and respond to key issues. The Stop B4U Serve initiative encourages landlords and tenants to approach the Council about potential eviction notices to consider alternatives. Implementation of Government-funded initiatives to support vulnerable/excluded groups: Rough Sleeping, Move On Fund. Co Durham Lettings Agency, part of the Council's housing service, accommodates and supports vulnerable individuals who cannot access mainstream housing.</p> <p><b>Improvements planned:</b> Review the Housing Solutions service to assist people in financial difficulty. Training and awareness to enable front line staff support and work collectively with partners. Ongoing monitoring the number of presentations from those at risk of losing their home through mortgage arrears. Recruitment of additional temporary staff. Ongoing monitoring of temporary accommodation costs.</p>
20	RES	R0683 - Risk that Council does not fully respond to the drivers of financial hardship, including those caused by the 'cost of living crisis', the ongoing impacts of the coronavirus pandemic and wider determinants of <b>poverty</b> to help alleviate the impacts on County Durham residents.	Moderate	Probable	The current controls are considered adequate.	<p><b>Main controls:</b> Poverty Action Strategy and Plan; Child Poverty Action Plan; Poverty Action Steering Group; Housing Welfare Reform Group triage process; Child Poverty Group; Partnership working including but not exclusive to Advice in County Durham Partnership; Various practical, financial and advisory support services; and Communications programme and staff training.</p>
21	CYPS	R0646 - Potential financial and other pressures threaten the viability of some <b>education providers</b>	Major	Possible	The current controls are considered adequate.	<p><b>Main controls:</b> 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.</p>

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
22	REG	R0648 - 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 <b>countywide economic strategy</b> , resulting in damage to the strength and competitiveness of the of the Co Durham economy	Moderate	Probable	Treat	<b>Main controls:</b> Engagement and advice by Business Durham. Weekly Regional Business Intelligence reports to Government. The County Durham Pound project. Business Grant Schemes. Levelling Up process. <b>Planned improvements:</b> Develop an Economic Strategy. DCC to explore opportunities presented by Devolution Deals. Lobby Government for continuation of funding.
23	CYPS	R0668 - Government proposals to phase out <b>school improvement grant</b> by 2024/25 could undermine the Council's ability to support maintained schools effectively.	Moderate	Possible	Treat	<b>Main controls:</b> Monitoring, Intervention and Improvement Protocol. Regular visits and liaison with school heads. Increased focus on commercialisation opportunities. <b>Planned improvements:</b> Implement a service restructure to adapt to new level of service demand.
24	CYPS	UR0149 - Pupils may not adequately recover from the impacts of Covid19, leading to ongoing or increased inequality of <b>educational outcomes</b> , restricted employment prospects and an increase in the number of NEETS.	Moderate	Possible	The current controls are considered adequate.	<b>Main controls:</b> 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.

**Corporate Theme: Our Environment - Durham has taken action to tackle the climate emergency, reduce the impact of pollution and waste on our county and protect, restore and sustain our natural environment**

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
25	NCC	R0684 - 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 2045 ( <b>climate change</b> ).	Major	Probable	Treat	See key risk schedule in appendix 3.
26	NCC	UR0175 - Potential impacts of the spread of <b>Ash Dieback Disease</b> on the environment, public safety, and Council finances.	Moderate	Possible	Treat	New risk <b>Main controls:</b> Appointment of additional permanent staff to support tree inspections. Appointment of additional temporary staff to support woodland management and tree planting. Potential insurance claims arising from the Ash Dieback situation has been discussed with the Council's insurer, who has been informed of the Council's tree management arrangements. <b>Planned improvements:</b> An Ash Dieback Management Plan is being developed as part of Tree and Woodland Strategy. A proactive inspection regime for trees owned or managed by the council is being developed. Management of woodland estate is being enhanced through Woodland Management Grants. A programme of tree and woodland planting on 70 hectares of council land is being delivered between 2020 – 2024.

**Corporate Theme: Our People - Durham is a place where people will enjoy fulfilling, long and independent lives**

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
27	AHS	UR0158 - Potential disruption to the Council's and partners' <b>urgent and emergency care services</b> due to backlogs caused by Covid, increased demand and staff capacity issues.	Major	Probable	Treat	See key risk schedule in appendix 3.
28	CYPS	R0659 - Risk of being unable to meet the authority's <b>statutory sufficiency duty</b> 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.
29	CYPS	0227 - <b>Failure to protect a child</b> from death or serious harm (where service failure is a factor or issue).	Critical	Possible	Treat	See key risk schedule in appendix 3.
30	AHS	R0562 - Failure to protect a <b>vulnerable adult</b> from death or serious harm (where service failure is a factor or issue).	Critical	Possible	Treat	See key risk schedule in appendix 3.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
31	CYPS	R0660 - Inability to <b>recruit and retain children's social workers</b> and social work managers may seriously inhibit the delivery of services.	Moderate	Probable	Treat	<p><b>Main controls:</b> Social Work (SW) Academy. Regional agreement on agency payments. Recruitment and Selection Policy and guidance. Monitoring competitiveness of grades / pay rates. Recruitment and retention for specified roles. Supporting various routes into SW. Management development to ensure SWs are well supported. Supervision framework.</p> <p><b>Improvements planned:</b> Ongoing risk assessment to determine if extensions to R&amp;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.</p>
32	CYPS	R0674 - Volatile and <b>high-cost</b> , demographic demands <b>of children looked after</b> 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.	<p><b>Main controls:</b> Monthly outturn forecasts monitored by CMT. Quality Improvement Board. Children's Services Improvement Plan. Oversight by CMT, Cabinet, DSCP &amp; partners. Fostering &amp; Adoption Strategies. Placement Resource Panel. Risk-based approach to identifying children to be looked after. Placement Efficiency Strategy. Pre-Birth Service.</p>
33	AHS	R0634 - Pressures nationally across residential, nursing and domiciliary care providers, could affect the availability, delivery, continuity, quality, <b>sustainability and capacity of care provision</b> within County Durham.	Major	Possible	Treat	<p><b>Main controls:</b> 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.</p> <p><b>Planned improvements:</b> In line with Fair Cost of Care reforms, submit to the Department of Health and Social Care a cost of care exercise, a provisional market sustainability plan and a spend report.</p>

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
34	CYPS	R0671 - Increasing demand on the Dedicated Schools Grant budget for <b>High Needs Block special educational needs</b> services and inclusive education services may result in adverse impacts on finance and service delivery.	Moderate	Probable	Treat	<b>Main controls:</b> 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. <b>Planned Improvements:</b> Implementation of HNB Sustainability Programme.
35	NCC	R0452 - <b>Demand pressures on the Community Protection</b> 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	<b>Main controls:</b> 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. <b>Improvements planned:</b> Upgrade the ICT system. Workforce Development Plan.
36	CYPS	UR0148 - Inability to recruit <b>residential children's homes staff</b> may seriously inhibit capacity to deliver essential, specialist services to children and young people from across England and Wales.	Moderate	Possible	Treat	<b>Main controls:</b> Human Resources Team. Recruitment strategy. Working with specialised recruitment agency. Performance and Development Review Scheme. Occupational Health service. Employee assistance programme. Independent psychotherapy service. Post-incident debriefing and learning. Secure and recruitment/retention allowances. <b>Planned improvements:</b> Develop webpage to improve appeal to prospective candidates. Review induction process. Service to be involved in Corporate Recruitment & Retention Working Group now being set up.
37	CYPS	UR0167 - Increase in volume and complexity of demand for children's safeguarding services post coronavirus period.	Moderate	Possible	The current controls are considered adequate.	New risk <b>Main controls:</b> To strengthen Families First services, additional management capacity has been provided and the number of teams has been increased from 14 to 15. A growth bid to strengthen children's social care capacity has been agreed. Robust processes in place at First Contact and MASH to assess new referrals, while trends and patterns are monitored regularly to ensure managers are sighted on peaks and troughs. Weekly discussions are also held with safeguarding partners.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Current Controls and Planned Improvements
38	AHS	R0666 - Risk that the Council is subject to legal challenge by Providers in relation to application of its <b>Residential Care Charging Policy and Deferred Payment Policy</b> .	Major	Unlikely	Treat	<b>Main controls:</b> 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. <b>Planned improvements:</b> In line with Fair Cost of Care reforms, submit to the Department of Health and Social Care a cost of care exercise, a provisional market sustainability plan and a spend report.
39	REG	R0490 - Serious injury or loss of life due to Safeguarding failure ( <b>Transport Service</b> )	Critical	Remote	The current controls are considered adequate.	<b>Main controls:</b> 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.

## 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 <b>current</b> 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.

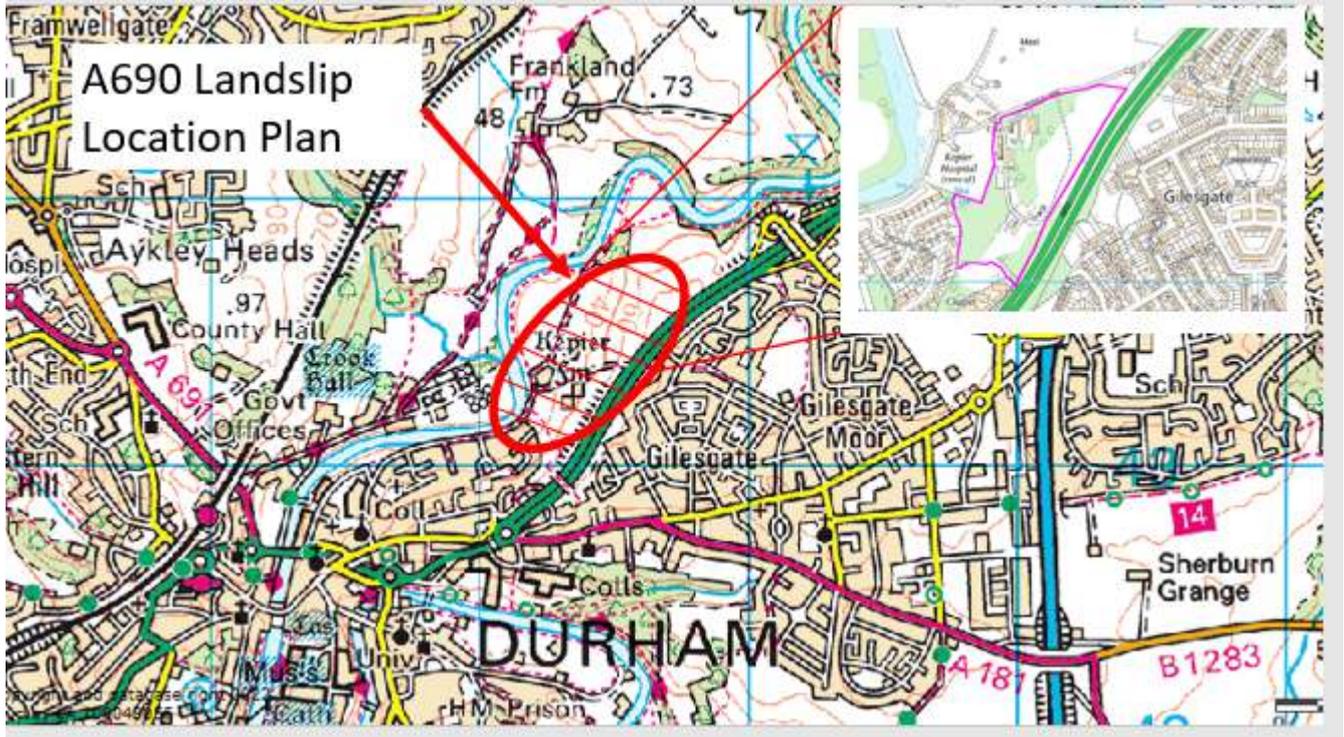
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## Appendix 6: Location Plan for Land Slippage near the A690 highway

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This location plan was requested by Audit Committee in February 2022.

### Location Plan



### Slip Details

