

Audit Committee

28 November 2022

Strategic Risk Management Progress Report for 2022/23

Review 2: 1 June – 30 September 2022



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 June and September 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) Four new risks have been added (business failures, liberty protection safeguards legal challenge, reduced public transport coverage, recruitment and retention).
 - (b) The A690 land slippage risk has been uprated from major impact, possible likelihood to critical impact, probable likelihood following a re-evaluation of the potential financial impact to over £15m, which now makes it a **key risk**.

- 5 There are updates on five key risks (Government funding, statutory sufficiency duty, climate change, energy price increases, construction industry price increases).
- 6 There are updates on eleven non-key risks (viability of some education providers, homelessness, recruitment and retention of children's social workers, care provider pressures, inclusive economic strategy, community protection service demand, violence and aggression towards members and employees, demand for children's safeguarding services, health and safety breach, educational outcomes, legal challenge of the Residential and Non-Residential Care Charging Policy).
- 7 In summary, the report outlines that, as at 30 September 2022, there were 43 risks included in the strategic risk register. There are ten key risks, relating to Government funding, construction industry price increases, energy price increases, urgent and emergency care services, statutory sufficiency duty, climate change, child safeguarding, savings plans, vulnerable adults, A690 land slippage, for which key mitigating actions have been identified.
- 8 Officers are monitoring two potential risks relating to declines in biodiversity and the home to school transport budget.
- 9 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

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

Background

- 11 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.
- 12 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

- 13 As at 30 September 2022, there were 43 risks included on the corporate strategic risk register, five more than on 31 May 2022. During the period covered by this report five risks were added, and none were removed.
- 14 In summary, the key risks to the Council are:
- (a) There is significant uncertainty in relation to **future funding** settlements from government, which will significantly impact upon the medium-term financial plan.
 - (b) Limited product availability and **price increases in the construction industry** 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.
 - (c) Potential progressive **land slippage near the A690** may develop to an extent where a major road closure is necessary for repairs to be undertaken.
 - (d) Potential adverse impact of **energy price increases** on Council finances.
 - (e) 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.
 - (f) 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.

- (g) High technology costs and a potential lack of Government funding and resources may prevent the Council from making the necessary adaptations and mitigations to meet the target of being a carbon-neutral County by 2045 (**climate change**).
- (h) **Failure to protect a child** from death or serious harm (where service failure is a factor or issue).
- (i) If timely and comprehensive **savings plans** are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves.
- (j) Failure to protect a **vulnerable adult** from death or serious harm (where service failure is a factor or issue).

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

- 15 Appendix 3 includes details on four new risks (business failures, liberty protection safeguards legal challenge, reduced public transport coverage, recruitment and retention), and one updated risk (A690 land slippage). There are progress updates on five key risks (Government funding, statutory sufficiency duty, climate change, energy price increases, construction industry price increases). There are updates on eleven non-key risks (viability of some education providers, homelessness, recruitment and retention of children's social workers, care provider pressures, inclusive economic strategy, community protection service demand, violence and aggression towards members and employees, demand for children's safeguarding services, health and safety breach, educational outcomes, legal challenge of the Residential and Non-Residential Care Charging Policy). Officers are monitoring two potential risks relating to declines in biodiversity and the home to school transport budget.
- 16 A list of all the Council's strategic risks as at 30 September 2022, aligned to the corporate themes in County Durham Vision 2035 and the Council Plan, is included in appendix 4.
- 17 Managers within the Council have identified and assessed these risks using a structured and systematic approach, and are 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.

As at 30 September 2022, there were 43 risks on the corporate strategic risk register, four more than as at 30 June 2022. During this period four risks were added, and none were removed.

The following matrix profiles the strategic risks according to their net risk evaluation as at 30 September 2022. To highlight changes in each category during the last period, the number of risks as at 30 June 2022 is shown in brackets.

Overall number of Strategic Risks as at 30 September 2022

Impact					
Critical	1 (1)		3 (3)	1 (0)	2 (2)
Major		5 (5)	5 (5)	3 (3)	1 (1)
Moderate			13 (12)	8 (7)	
Minor				1 (0)	
Insignificant					
Likelihood	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 *High inflation, borrowing costs and uncertainty around Government funding and policy may cause serious harm to the local economy, leading to widespread **business failures (REG)**.*

The net risk evaluation is moderate impact, probable likelihood.

Economic growth is being impeded by high inflation, borrowing costs and uncertainty around Government funding and policy. In addition, the devaluation of the pound is leading to higher import costs, especially for manufacturers. This may lead to increasing costs for businesses, which could cause widespread business failures, consequent job losses and increase pressure on the council's business support, unemployment and skills service delivery.

The Council provides support for businesses through [workforce development and training services](#), [retail business support services](#) and information on responding to [Brexit](#). A bid for Investment Zone status at Aykley Heads and at Net Park was submitted in October 2022 to access associated benefits.

- 2 *Risk of a successful legal challenge in relation to Liberty Protection Safeguards, due to high caseloads and capacity pressures, leading to financial penalties and reputational damage (**Liberty Protection Safeguards Legal Challenge (AHS)**).*

The net risk evaluation is major impact, possible likelihood.

Deprivation of Liberty (DoL) Safeguards were introduced in April 2009 through the Mental Capacity Act 2005 to protect individuals who lack the mental capacity to consent to the arrangements for their care, where such care may amount to a deprivation of liberty. Care arrangements that include deprivation of liberty are independently assessed by the local authority to ensure they are in the best interests of the individual concerned.

Following a Supreme Court judgement in March 2014, 'deprivation of liberty' was redefined. This has resulted in an approximate 10-fold increase in the volume of applications to be processed. Following this judgement, the emergence of backlogs became common place.

Currently, the volume of cases exceeds the dedicated resource capacity and there is a large backlog of cases. No staff have been recruited to the Adult Protection and DoLS Team since 2016 and in light of the forthcoming implementation of LPS, we will need to review our resource requirements for the completion of best interest assessments/ DoLS authorisations.

In the event of an unlawful deprivation of liberty and a successful challenge through the courts or the Local Government and Social Care Ombudsman, the Council may be liable for a financial penalty and suffer reputational damage.

Recent actions to mitigate this risk include the recruitment of 20 independent Best Interest Assessors (BIAs), advertising/recruitment of several internal posts and refresher training for relevant staff. Operating processes, including the use of the new social services information database have been modified to improve efficiency and effectiveness.

Planned mitigations include a review of the BIA function, to ensure efficiency, the recruitment and the continuation of monitoring the backlog and keeping up with current demand.

- 3 *Withdrawal of Covid financial support to bus operators may result in **reduced public transport coverage**, leading to a lack of essential transport services for users and/or calls for financial assistance from the Council (REG).*

The net risk evaluation is minor impact, probable likelihood.

The usage of bus services declined by around 20% due to the impacts of the Covid pandemic, making service delivery economically unviable for bus operators. During 2020/21, the Department for Transport started awarding funding to mitigate these impacts, but this is now being gradually reduced, and it is anticipated that funding will eventually be phased out completely. The latest announcement extended the funding from October 2022 for at least three months.

The Council will be contributing £2m from an underspend of the concessionary fares budget, which will cushion the impacts on services and on bus users.

- 4 *National and local shortages of skills and labour may cause **recruitment and retention** difficulties, resulting in capacity shortfalls (RES).*

The net risk evaluation is moderate impact, possible likelihood.

Attracting employees remains an ongoing and increasing challenge for the council. Local and national skills shortages are impacting heavily and driving competition for skilled workers between neighbouring local authorities and other employers, including the private sector.

A comprehensive action plan is in place to strengthen and modernise our strategic approach to recruitment across the Council and funding has recently been approved for three additional posts in Human Resources and Employee Services to support this work. Officers are reviewing the approach to recruitment advertising, including the range of available options and ways to improve candidate reach and attraction.

Amended Risks

- 5 *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).*

Due to the rising costs of materials, the net impact of this risk has been updated from major to critical. The net likelihood of occurrence has been updated from possible to probable. The increased evaluation of **critical/probable** means that this is now a **key risk**.

Monitoring by the Highway Inspector is continuing, and any remedial works found to be necessary are being programmed.

Consultant engineers have reviewed available ground monitoring data to determine a longer-term repair solution. A meeting has been held with NPG and the ground investigation contractor to review the available data and to discuss the proposed capital project. The Round 2 Levelling Up funding bid was submitted to include stabilisation of the carriageway and the result of this bid will be notified to DCC in November 2022.

Conversations are ongoing with consulting engineers to investigate the impacts of the three proposed options.

Updates on Developments

Key Risks

- 6 *There is significant uncertainty in relation to future **funding settlements** from government, which will significantly impact upon the medium-term financial plan (RES).*

It is expected that the Fair Funding Review implementation will be delayed until 2025/26. The MTFP forecasts considered by Cabinet on 12 October 2022 anticipated that government would provide a standstill finance settlement for the next two years, but this position is now much more uncertain due to the government's need to balance the national finances.

There is a risk that there will only be a one-year settlement and that funding reductions may be implemented by government. This position is likely to be clarified in the local government finance settlement in December 2022.

A standstill settlement would not provide local government with any additional funding to help finance inflation and demand pressures which will place significant pressure on revenue budgets and necessitating service reductions.

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

There has been an increasing reliance on the use of higher cost accommodation such as external residential care, leading to a forecast overspend of more than £13m on placement budgets, and this is placing pressure on our MTFP planning.

Durham County Councils Sufficiency and Commissioning Strategy sets out the strategic approach to securing sufficient accommodation to meet the needs of our looked after children. This includes initiatives to increase the number of foster carers and the provision of in-house children's homes. Sufficiency issues are also being faced by all local authorities, and the Government's responses to the Independent Care Review will be important in understanding how the children's social care system will be transformed to better support the most vulnerable children and families.

- 8 *High technology costs and a potential lack of Government funding and resources may prevent the Council from making the necessary adaptations and mitigations to meet the target of being a carbon-neutral County by 2045 (climate change) (NCC).*

In June 2022, Cabinet approved the adoption of the second Climate Emergency Response Plan for the period 2022-24, including the introduction of more challenging targets, namely, to achieve,

- (a) net zero by 2030 by retaining the CERP1 80% actual carbon reduction target for Council emissions by 2030 whilst offsetting or further reducing remaining emissions; and
- (b) net zero by 2045 for countywide emissions (improved from 2050).

Energy price increases are an incentive to speed up progress with actions, such as installing LED streetlights and office lights, while increasing capital costs could hinder progress. The recent change in Government leadership creates some uncertainty in the form of potential policy and funding changes.

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

The new Energy Bill Relief Scheme will help businesses and other non-domestic energy users, including local authorities, to cope with rising energy prices, but this is only for six months. NEPO will engage with suppliers to determine the effect on the Council's contract prices and feedback is expected in early November when a more accurate financial impact will be available. The approach to rationalising buildings usage and energy consumption is being reviewed with strategic and buildings managers.

Due to fast changing circumstances, officers are frequently monitoring developments on this issue and keeping services updated on associated financial implications.

- 10 *Limited product availability and price increases in the construction industry 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 (REG).*

Officers are monitoring the potential impact of construction price inflation on the capital programme to estimate additional budget requirements and to help balance competing priorities with limited resources.

Non-Key Risks

- 11 *Potential financial and other pressures threaten the **viability of some education providers (CYPS)**.*

Additional pressures include the 2022/23 pay award and rising energy prices, with only around six months' support for energy costs being anticipated from the Government. Representations to the Government are being made by Cabinet and various teaching and support staff unions.

- 12 *Increased financial and other pressures on households cause a rise in the number of people unable to buy or rent accommodation, with increased evictions and repossessions likely, leading to a significant increase in **homeless presentations**, use of temporary accommodation, demand for secure affordable housing and pressure on housing support services (REG).*

A revised plan of control improvements during 2022/23 and 2023/24 includes a comprehensive review of the delivery and role of the Housing Revenue Account; a fundamental review of the Durham Key Options service and implementation of approved changes; a review of the Housing Solutions service offer; and ensuring that front line staff are fully equipped for their roles.

- 13 *Inability to recruit and retain **children's social workers** and social work managers may seriously inhibit the delivery of services (CYPS).*

The service continues to experience high caseloads which is putting pressure on a number of teams across the County. Recruitment is still a significant issue, especially in Families First teams.

- 14 *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).*

In Spring 2022, the Government announced far-reaching reforms of social care funding. The changes affect the way individuals pay for care, including a 'care cap', and include initiatives to move towards a Fair Cost of Care for older persons care homes.

Local Authorities must carry out a cost exercise with their local markets using set national parameters, the results of which, together with a detailed Market Sustainability Plan (MSP), must be submitted to the Department of Health and Social Care (DHSC) to access funding in 2023/24 and 2024/25. The Council's cost exercise is nearing completion, and analysis of results and drafting of the MSP is progressing ahead of initial engagement with the Department of Health and Social Care from October 2022, and final submission in February 2023.

The Council is planning its approach to the reforms, which will be phased in from October 2023, and will need to amend charging policies and care home contracts accordingly.

The service continues to monitor any government support for cost-of-living pressures, including energy prices, and any funding that the DHSC requires the Council to distribute will be done so rapidly. Support from DCC Energy Advisory Services has also been offered.

- 15 *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 **inclusive economic strategy**, resulting in damage to the strength and competitiveness of the of the Co Durham economy (REG).*

The cost-of-living crisis and rising energy prices have been noted as risk factors. The draft Inclusive Economic Strategy is now out to engagement with public and stakeholders and is scheduled for approval by Cabinet in December 2022. It is proposed that, following approval, a Delivery Plan responding to short- and medium-term risks will be developed with partners.

- 16 *Demand pressures on the **Community Protection** inspections and interventions arising from the UK exit from the EU may lead to an adverse impact on public health and safety in Co Durham (NCC).*

There are currently several vacancies across the service. There are plans to procure a software application to consolidate all Community Protection services into a single ICT system incorporating trading standards, environmental health, licensing, community safety and anti-social behaviour.

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

The number of entries in the Potentially Violent Persons' Register has seen successive increases in the last three quarters, but the current figures are similar to pre-pandemic levels. The Occupational Health and Safety Manager is dealing with several incidents of violence and aggression towards elected members. National challenges, including the cost-of-living crisis and rising energy prices will potentially lead to increased exposure in the foreseeable future.

- 18 *Increase in volume and complexity of demand for children's safeguarding services to an extent that it leads to a capacity shortfall and unmanageable workloads (CYPS).*

Referrals rates are currently lower than in the 12 months preceding the pandemic. However, there is a higher number of cases already in the system, which are more complex and, therefore, stay in the system for longer. Pressure on caseloads will be exacerbated by any issues in relation to the recruitment and retention of social workers.

- 19 *Serious breach of **Health and Safety Legislation** (NCC).*

In August 2022, a new, three-year Health, Safety and Wellbeing Strategy was approved, which has three strategic aims (safe people, safe places and safe systems) and an action plan that will be managed and monitored by the Corporate Health, Safety and Wellbeing Strategic Group.

- 20 *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 (CYPS).*

Core funding for the DurhamWorks service, through the Youth Employment Initiative and the European Social Fund, will end in December 2023. The funding supports people who are not in education, employment or training, and alternative funding streams fall well short of the significant funding received in 2019 - 2022.

- 21 *Risk that the Council is subject to legal challenge by Providers in relation to application of its Residential and Non-Residential Care Charging Policy and Deferred Payment Policy (AHS).*

In Spring 2022, the Government announced far-reaching reforms of social care funding. The changes affect the way individuals pay for care, including a 'care cap', and include initiatives to move towards a Fair Cost of Care for older persons care homes.

Local Authorities must carry out a cost exercise with their local markets using set national parameters, the results of which, together with a detailed Market Sustainability Plan (MSP), must be submitted to the Department of Health and Social Care to access funding in 2023-24 and 2024-25. The Council's market exercise is nearing completion and analysis of results and drafting of the MSP is progressing ahead of initial engagement with DHSC from October 2022, and final submission in February 2023.

The Council is planning its approach to the reforms, which will be phased in from October 2023, and will need to amend charging policies and care home contracts accordingly.

Other issues

- 22 The following potential risks are being monitored: -
- *Forecast overspend of the Home to School Transport budget (CYPS).*
 - *Due to financial and resource constraints, the Council may be unable to fully meet the aspirations of the ecological emergency action plan to reverse declines in biodiversity (NCC).*

Key Risks

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

Key Risks Matrix

Net Impact					
Critical			R8 Child Safeguarding R9 Savings Plans R10 Vulnerable Adults	R3 A690 Slippage	R1 Govt Funding R2 Construction Prices
Major				R5 Emergency Services R6 Sufficiency Duty R7 Climate Change	R4 Energy Prices
Moderate					
Minor					
Insignificant					
Net Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

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

Key Risks Schedule

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

Ref	Service leading on the risk	Range of impact (cross-cutting or service-specific)	Corporate Theme	Risk	Net Impact	Net Likelihood	Proposed Key Actions	Direction of Travel	Anticipated date when risk will be at an acceptable level
1	RES Risk Owner: Jeff Garfoot	Cross-cutting	Our Council	There is significant uncertainty in relation to future funding settlements from government, which will be impacted by the upcoming Comprehensive Spending Review and the Fair Funding Review	Critical	Highly Probable	Sound financial forecasting is in place based on thorough examination of the Government's "red book" plans alongside forecasting of council expenditure and income especially in relation to the areas impacted by 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	Limited product availability and price increases in the construction industry 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	<p>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.</p> <p>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.</p>		The duration of this risk is uncertain, but it is expected to continue for the next four 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	NCC	Service-specific	Our Communities	Potential progressive land slippage near the A690 may develop to an extent where a major road closure is necessary for repairs to be undertaken.	Critical	Probable	<p>Monitoring by the Highway Inspector is continuing, and any remedial works found to be necessary are being programmed.</p> <p>Consultant engineers have reviewed available ground monitoring data to determine a longer-term repair solution. A meeting has been held with NPG and the ground investigation contractor to review the available data and to discuss the proposed capital project. The Round 2 Levelling Up funding bid was submitted to include stabilisation of the carriageway and the result of this bid will be notified to DCC in November 2022.</p> <p>Conversations are ongoing with consulting engineers to investigate the impacts of the three proposed options.</p>	Net likelihood uprated from possible to probable. Net impact uprated from major to critical.	This has been classified as a long-term risk as the extent of the problem cannot be determined without extensive intrusive works.

Ref	Service leading on the risk	Range of impact (cross-cutting or service-specific)	Corporate Theme	Risk	Net Impact	Net Likelihood	Proposed Key Actions	Direction of Travel	Anticipated date when risk will be at an acceptable level
4	RES Risk Owner: Darren Knowd	Cross-cutting	Our Council	Potential adverse impact of energy price increases on Council finances.	Major	Highly Probable	<p>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.</p> <p>The approach to rationalising buildings usage and energy consumption is being reviewed with strategic and buildings managers.</p>		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
5	AHS Risk Owner: Jane Robinson	Service-specific	Our People	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.	Major	Probable	<p>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.</p> <p>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.</p>		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
6	CYPS Risk Owner: John Pearce, Jane Robinson	Service-specific	Our People	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	Durham County Councils Sufficiency and Commissioning Strategy sets out the strategic approach to securing sufficient accommodation to meet the needs of our looked after children. This includes initiatives to increase the number of foster carers and the provision of in-house children's homes. Sufficiency issues are also being faced by all local authorities, and the Government's responses to the Independent Care Review will be important in understanding how the children's social care system will be transformed to better support the most vulnerable children and families.		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	NCC Risk Owner: Alan Patrickson	Cross-cutting	Our Environment	High technology costs and a potential lack of Government funding and resources may prevent the Council from making the necessary adaptations and mitigations to meet the target of being a carbon-neutral County by 2045 (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
8	CYPS Risk Owner: John Pearce	Service-specific	Our People	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.
9	RES Risk Owner: Jeff Garfoot	Cross-cutting	Our 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.

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
10	Adult and Health Services / Adult Care	Service-specific	Our People	Failure to protect a vulnerable adult from death or serious harm (where service failure is a factor or issue).	Critical	Possible	<p>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.</p> <p>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.</p>		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 as at 30 September 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	Main Controls and Planned Improvements
1	RES	There is significant uncertainty in relation to future funding settlements from government, which will significantly impact upon the medium-term financial plan.	Critical	Highly Probable	Treat	See key risk schedule in appendix 3.
2	RES	Potential adverse impact of energy price increases on Council finances.	Major	Highly Probable	Treat	See key risk schedule in appendix 3.
3	RES	If timely and comprehensive savings plans are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves.	Critical	Possible	Treat	See key risk schedule in appendix 3.
4	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	Main 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.
5	NCC	Breach of duty under Civil Contingencies Act by failing to prepare for, respond to and recover from a major incident , leading to a civil emergency.	Major	Possible	Treat	Main 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: The Storm Arwen Improvement Action Plan consists of 22 actions, between August 2022 and March 2025, across five themes, namely, community resilience (5), planning and preparedness (8), emergency response resources ((4), activation and use of Council staff (2), and decision-making and governance (3).

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Main Controls and Planned Improvements
6	REG	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.	Moderate	Probable	The current controls are considered adequate.	Main controls: Marketing Strategy. Proactive, national marketing of units through a specialist external agency. Tailored incentives for potential tenants. Business Durham connects businesses with the right funding, advice, and networks they need to grow and thrive. Budget monitoring and control. Regular progress reports to Corporate Management Team. Supporting businesses through discretionary rate relief schemes.
7	REG	Potential violence and aggression towards members and employees from members of the public	Moderate	Possible	The current controls are considered adequate.	Main 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.
8	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.	Main 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).
9	REG	Serious breach of Health and Safety Legislation	Moderate	Possible	The current controls are considered adequate.	Main 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.
10	RES	Potential significant size and scope of the liabilities of equal value claims	Moderate	Possible	The current controls are considered adequate.	Main controls: The Council is working with claimants and their legal representatives to determine those claimants who have a legitimate claim. Work is ongoing with the Tribunal to seek an agreeable settlement for all parties.
11	RES	National and local shortages of skills and labour may cause recruitment and retention difficulties, resulting in capacity shortfalls.	Moderate	Possible	Treat	Main controls: A comprehensive action plan is in place to strengthen and modernise our strategic approach to recruitment across the council and CMT have recently agreed to fund three additional posts in Human Resources and Employee Services to support this work. Planned improvements: A Corporate Communications Plan for Recruitment is being developed and the Emergency Human Resources Policy is being reviewed and updated, where necessary, to ensure that it remains fit for purpose.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Main Controls and Planned Improvements
12	RES	If the Council suffered a successful cyberattack or IT security breach, then it may be unable to effectively deliver essential services.	Major	Unlikely	The current controls are considered adequate.	Main controls: 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.
13	RES	Due to the current economic climate, COVID (grants, hardship reliefs, scams) and amount of change occurring across the Council, there is potential for increases in fraud and corruption .	Moderate	Possible	The current controls are considered adequate.	Main controls: Corporate Fraud Team, Counter Fraud & Corruption Strategy, Fraud Response Plan, Corporate Fraud Sanction Policy, Confidential Reporting Code, Anti-Money Laundering Policy and Counter Fraud Plan. Preventive measures include training, fraud awareness, and publicity campaigns/fraud communication strategy. Numerous fraud reporting channels available. Data analytics/matching and fraud data hub. Reported cases are investigated rigorously and promptly, and appropriate action taken. Multi-agency partnerships working.
14	NCC	Failure to prepare for, respond to and recover from a disruptive event, leading to a major interruption to the provision of essential services by the Council (business interruption).	Major	Unlikely	The current controls are considered adequate.	Main 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.
15	RES	Potential breach of the Data Protection Act 2018 .	Major	Unlikely	The current controls are considered adequate.	Main 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.
16	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.	Main controls: 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	Main Controls and Planned Improvements
17	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.	Critical	Probable	Treat	See key risk schedule in appendix 3.
18	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.	Main 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.
19	REG	Withdrawal of Covid financial support to bus operators may result in reduced public transport coverage , leading to a lack of essential transport services for users and/or calls for financial assistance from the Council.	Minor	Probable	The current controls are considered adequate.	Main controls: The Council will be contributing £2m from an underspend of the concessionary fares budget, which will cushion the impacts on services and on bus users. Continued liaison with the Department for Transport regarding the continued impacts of the pandemic on bus patronage.

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	Main Controls and Planned Improvements
20	REG	Limited product availability and price increases in the construction industry 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	See key risk schedule in appendix 3.

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Main Controls and Planned Improvements
21	CYPS	Potential financial and other pressures threaten the viability of some education providers .	Major	Possible	The current controls are considered adequate.	Main 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.
22	RES	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.	Moderate	Probable	The current controls are considered adequate.	Main controls: 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.
23	REG	Increased financial and other pressures on households cause a rise in the number of people unable to buy or rent accommodation, with increased evictions and repossessions likely, leading to a significant increase in homeless presentations , use of temporary accommodation, demand for secure affordable housing and pressure on housing support services.	Moderate	Probable	Treat	Main controls: 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 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 to help accommodate and support vulnerable individuals who cannot access mainstream housing. Planned improvements: Direct provision by the Council through the establishment of a Housing Revenue Account. Change to Durham Key Options to ensure those in greatest need have the highest priority. Change to the Housing Solutions service to target resources where needed most. Training and awareness to enable front line staff support and work collectively with partners. Improved monitoring and governance of services, including expenditure of budgets and costs. Recruitment of additional temporary staff (if needed).

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Main Controls and Planned Improvements
24	REG	High inflation, borrowing costs and uncertainty around Government funding and policy may cause serious harm to the local economy, leading to widespread business failures .	Moderate	Probable	Treat	Main controls: The Council provides support for businesses through workforce development and training services, retail business support services and information on responding to Brexit. Planned Improvements: A bid for Investment Zone status at Aykley Heads and at Net Park was submitted in October 2022 to access associated benefits.
25	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 inclusive economic strategy , resulting in damage to the strength and competitiveness of the of the Co Durham economy	Moderate	Probable	Treat	Main 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.
26	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	The current controls are considered adequate.	Main controls: Monitoring, Intervention and Improvement Protocol. Regular visits and liaison with school heads. Increased focus on commercialisation opportunities.
27	CYPS	Pupils may not adequately recover from the impacts of Covid19, leading to ongoing or increased inequality of educational outcomes , restricted employment prospects and an increase in the number of NEETS.	Moderate	Possible	The current controls are considered adequate.	Main contols: 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	Main Controls and Planned Improvements
28	NCC	High technology costs and a potential lack of Government funding and resources may prevent the Council from making the necessary adaptations and mitigations to meet the target of being a carbon-neutral County by 2045 (climate change).	Major	Probable	Treat	See key risk schedule in appendix 3.
29	NCC	Potential impacts of the spread of Ash Dieback Disease on the environment, public safety, and Council finances.	Moderate	Possible	Treat	Main controls: 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. Planned improvements: 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	Main Controls and Planned Improvements
30	AHS	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.	Major	Probable	Treat	See key risk schedule in appendix 3.
31	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	Main Controls and Planned Improvements
32	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.
33	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.
34	CYPS	Inability to recruit and retain children's social workers and social work managers may seriously inhibit the delivery of services.	Moderate	Probable	Treat	Main 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 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.
35	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.	Main 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	Main Controls and Planned Improvements
36	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	Treat	<p>Main 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.</p> <p>Planned improvements: 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>
37	AHS	Risk of a successful legal challenge in relation to Liberty Protection Safeguards, due to high caseloads and capacity pressures, leading to financial penalties and reputational damage (Liberty Protection Safeguards Legal Challenge).	Major	Possible	Treat	<p>Main controls: Recruitment of 20 independent Best Interest Assessors and advertising/recruitment of several internal posts. Refresher training for relevant staff. Operating processes, including the use of the new social services information database have been modified to improve efficiency and effectiveness.</p> <p>Planned improvements: A review of the Best Interest Assessors function to ensure that key objectives are met. Recruitment of around 10 full-time equivalent Best Interest Assessors, and a scan of expired cases to consider reinstatement, where appropriate.</p>
38	CYPS	Increasing demand on the Dedicated Schools Grant budget for High Needs Block special educational needs services and inclusive education services may result in adverse impacts on finance and service delivery.	Moderate	Probable	Treat	<p>Main 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.</p> <p>Planned improvements: Implementation of HNB Sustainability Programme.</p>
39	NCC	Demand pressures on the Community Protection inspections and interventions arising from the UK exit from the EU may lead to an adverse impact on public health and safety in Co Durham.	Moderate	Possible	The current controls are considered adequate.	<p>Main 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 SOME staff. The team has been strengthened in 2021 by an apprenticeship programme.</p>

Ref	Service	Risk	Net Impact	Net Likelihood	Conclusion	Main Controls and Planned Improvements
40	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	Main controls: 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. Planned improvements: 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.
41	CYPS	Increase in volume and complexity of demand for children's safeguarding services post coronavirus period.	Moderate	Possible	The current controls are considered adequate.	Main controls: 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.
42	AHS	Risk that the Council is subject to legal challenge by Providers in relation to application of its Residential and Non-Residential Care Charging Policy and Deferred Payment Policy .	Major	Unlikely	Treat	Main controls: Adult Social Care Residential Care Charging Policy and Deferred Payment Agreement Policy. Legal advice and oversight where required, including on individual cases. Review of individual cases to ensure compliance. Financial Planning to mitigate potential impact. Liaison with other local authorities. Dialogue with providers. Updated guidance on self-funders issues to staff. Planned improvements: In line with Fair Cost of Care reforms, submit to the Department of Health and Social Care an indicative cost of care exercise as specified by their guidance, a provisional market sustainability plan and a spend report.
43	REG	Serious injury or loss of life due to Safeguarding failure (Transport Service)	Critical	Remote	The current controls are considered adequate.	Main 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.

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.
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.