

Audit Committee

29 September 2023

Strategic Risk Management Progress Report for 2022/23

Review 1: 1 January – 31 May 2023



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 2023.

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, two risks have been added: Terrorism (Protection of Premises) Bill impacts and Health and Social Care Reforms impacts; one risk has been downrated: Construction Industry Price Inflation; and one risk has been closed: Energy Price Inflation.
- 5 There are updates on the management of four key risks: Statutory Sufficiency Duty, A690 land slippage, children's social workers, and urgent and emergency care services.

- 6 There are updates on the management of nine non-key risks: business interruption, care providers, Care Charging Policy, Children Looked After Costs, children's homes staff, recruitment and retention, public transport, deprivation of liberty safeguards, home to school transport.
- 7 Two emerging risks are highlighted: radon gas management and buildings constructed using reinforced autoclaved aerated concrete (RAAC), and there are updates on two potential risks: guaranteed minimum pensions and recycling and waste.
- 8 In summary, the report outlines that on 31 May 2023, there were 44 risks on the strategic risk register. There are nine key risks, relating to Government funding, A690 land slippage, urgent and emergency care services, statutory sufficiency duty, climate change, children's social workers, child safeguarding, vulnerable adults, and savings plans, for which key mitigating actions have been identified.
- 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:
 - a) 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 is required to have 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 On 31 May 2023, there were 44 risks included on the corporate strategic risk register, one more than on 31 December 2022. During the period covered by this report two risks were added, and one was 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) Potential progressive **land slippage near the A690** may develop to an extent where a major road closure is necessary for repairs to be undertaken.
 - (c) 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.
 - (d) Risk of being unable to meet the authority's **statutory sufficiency duty** to provide sufficient accommodation in the local authority area to meet the needs of Children Looked After and children in need.
 - (e) Risk that the council fails, in its role as a community leader, to set an example and help partners, local businesses and communities make the necessary adaptations and mitigations in pursuit of the target of being a carbon-neutral County by 2050 (**climate change**).

- (f) Inability to recruit and retain **children’s social workers** and social work managers may seriously inhibit the delivery of services.
- (g) **Failure to protect a child** from death or serious harm (where service failure is a factor or issue).
- (h) Failure to protect a **vulnerable adult** from death or serious harm (where service failure is a factor or issue).
- (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.

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

- 15 There are updates on the management of four key risks: Statutory Sufficiency Duty, A690 land slippage, children’s social workers, urgent and emergency care services. There are updates on the management of nine non-key risks: business interruption, care providers, Care Charging Policy, Children Looked After Costs, children’s homes staff, recruitment and retention, public transport, deprivation of liberty safeguards, and home to school transport.
- 16 Two emerging risks are highlighted in this report: radon gas management and buildings constructed using reinforced autoclaved aerated concrete (RAAC), and there are updates on two potential risks: guaranteed minimum pensions and recycling and waste.
- 17 A list of all the council’s strategic risks on 31 May 2023, aligned to the corporate themes in County Durham Vision 2035 and the Council Plan, is included in appendix 4.
- 18 Management has identified and assessed these risks using a structured and systematic approach and is taking proactive measures to mitigate these risks to a manageable level. This effective management of our risks is contributing to improved performance, decision-making and governance across the council.
- 19 To provide assurance that strategic risks are being effectively managed, and that officers and members are appropriately skilled in risk management, performance against key indicators is set out in appendix 5.

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 is required to have 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 Durham County Council Pension Fund maintains its own risk register, with risks managed in line with CIPFA's 2018 guidance on *Managing Risk in the Local Government Pension Scheme*. The Fund's risks are reviewed in detail by officers, with periodic reporting to the Pension Fund Committee in line with its Terms of Reference.

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 2023, there were 44 risks on the corporate strategic risk register, one more than on 31 December 2022. During this period two risks were added, and one was removed.

The following matrix profiles the strategic risks according to their net risk evaluation on 31 May 2023. To highlight changes in each category during the last period, the number of risks on 31 December 2022 is shown in brackets.

Overall number of Strategic Risks on 31 May 2023

Impact					
Critical	1 (1)	1 (0)	3 (3)	1 (1)	1 (2)
Major		4 (4)	5 (5)	4 (3)	0 (1)
Moderate			15 (13)	8 (9)	
Minor				0 (1)	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.

New Risks

- 1 *Uncertainties and challenges in relation to the impact of the Government's **health and social care reforms** in England set out in the Health and Care Act 2022 and associated Guidance (AHS).*

This was highlighted in 2021 as an emerging risk and has now been escalated to the corporate risk register.

The Health and Care Act 2022 received Royal Assent on 28 April 2022. The changes introduced by the Act present two challenges for the council covering:

- Working at a County Durham place level with partners to agree priorities, commission services and integrate delivery.
- The introduction of a Care Quality Commission (CQC) assurance system for the council as a social services authority.

The County Durham Clinical Commissioning Group was replaced by an Integrated Care System (ICS) and Integrated Care Board (ICB) in July 2022. In County Durham, the council, the County Durham Care Partnership and the ICB will co-produce a Joint Committee to develop integrated commissioning and services and aim to report to the council and other partners in October 2023. Initially the work of the Joint Committee is likely to focus on community services, primary care, adult social care and children and young people's services. The continuation of the Better Care Fund has been confirmed. The ICB has implemented its operating model and staff structure which has included resources deployed at the County Durham level. However, the ICB operating model continues to be refined and developed.

The Act introduces a system of assurance for adult social care services by CQC. New frameworks published by CQC are being trialled by three local authorities. In County Durham we have:

- (a) Established an Oversight Board chaired by the Chief Executive to support the preparations for CQC assurance and emphasise the council wide nature of the CQC's activity.
- (b) Through a Quality Assurance Board completed a self-assessment and financial return and identified areas of good practice and those which may require development.
- (c) Taken part in an Association of Directors of Adult Social Services (ADASS) Annual Conversation which took the form of

a peer review with recommendations which we are implementing.

- (d) Worked with the CQC through ADASS to give feedback on the proposed frameworks.
- (e) Improved our performance reporting.
- (f) Communicated with staff and partners to keep them up to date with the emerging assurance framework.
- (g) Provided briefings for councillors and partners at Overview and Scrutiny Committee and the Health and Wellbeing Board.

2 *Risk that the council is unable to meet its responsibilities under the Terrorism (Protection of Premises) Bill when enacted, which sets to improve protective security and organisational preparedness at publicly accessible locations (NCC).*

The net risk was evaluated as critical impact, unlikely occurrence.

As reported in the last review, officers are working closely with partners to scale up preparedness for, and protection from, a potential terrorist attack and to ensure that the council will be able to meet the new requirements of the Terrorism (Protection of Premises) Bill when enacted, which was drafted following the Manchester Arena terror attack in May 2017 and is expected to come into force at some point after August 2023. The bill, which will commonly be known as Martyn's Law when enacted, sets to improve protective security and organisational preparedness at publicly accessible locations, through five key requirements for public spaces:

- (a) That spaces and places to which the public have access engage with freely available counterterrorism advice and training.
- (b) Those places to conduct vulnerability assessments of their operating places and spaces.
- (c) Those places to have a mitigation plan for the risks created by the vulnerabilities.
- (d) Those places to have a counter-terrorism plan.
- (e) Local authorities to plan for the threat of terrorism.

The risk is managed with Local Resilience Forum partners through the Government's counter-terrorism strategy CONTEST (2011), which is an integrated approach to counter-terrorism, based on four main elements. The CONTEST work streams are:

- Pursue: stopping terrorist attacks
- Protect: strengthening our protection against attack
- Prepare: mitigating the impact of attacks
- Prevent: stopping people becoming terrorists or supporting violent extremism.

One part of the CONTEST strategy is PREVENT, which aims to:

- tackle the causes of radicalisation and respond to the ideological challenge of terrorism,
- safeguard and support those most at risk of radicalisation through early intervention
- enable those who have already engaged in terrorism to disengage and rehabilitate.

The Home Office and Counter Terrorism Policing UK identified Durham County Council (DCC) and 32 other authorities across the North East as a pilot area for Publicly Accessible Locations management in relation to protecting people and places from a terrorist attack in the run up to Martyn's Law being enacted. A Protect and Prepare Group (PAPG) was set up to take a joined-up approach and allow the assessment of current and emerging risks and vulnerabilities, and the provision of effective and proportionate mitigation measures. The pilot has now concluded, but the PAPG will continue to meet to support any responsibilities under Martyn's Law.

In County Durham, the Safe Durham Partnership prioritises work to prevent people becoming terrorists or supporting terrorism. This work has a strong link to safeguarding because vulnerable adults and children can be susceptible to radicalisation and recruitment into terrorist organisations. There may be warning signs that can help identify those people for suitable interventions and support.

The Safe Durham Partnership follows the recommendations within the National Channel Duty Guidance to enable partners to ensure that children, young people and adults are protected from the harm of being drawn into terrorism.

Channel is a multi-agency approach, led by local authorities and the police, which provides support to individuals identified as being at risk of being drawn into terrorist related activity. County Durham Channel seeks to:

- safeguard individuals who might be vulnerable to being radicalised, so that they are not at risk of being drawn into terrorist related activity; and
- ensure that individuals and communities have the ability to resist all forms of terrorism and violent extremist activity likely to lead to terrorism.

Amended Risks

- 3 *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 (**construction prices**) (REG).*

Concerns were highlighted in 2021 about the effect of high levels of construction price inflation on the ability to deliver capital programme projects. Since then, the risk has been subject to ongoing monitoring through the medium-term financial planning process in line with the Capital Strategy, which provides a framework to enable the council to consider carefully how it prioritises spending to meet corporate and service aims and objectives.

Following council approval of the revised 2022/23 Capital Budget and the 2023/24 Capital Budget in February 2023, the level of uncertainty around this risk has reduced and the net risk evaluation has been **downrated from critical impact, highly probable likelihood to moderate impact, possible likelihood, meaning this is no longer a key risk.**

The overall product availability in the region is good except for a few key products, including plasterboard, insulation, and clay roofing products. In terms of services, there is a healthy but limited supply chain and specialist contractors are on long lead in periods. This results in issues around availability and programming, which often means projects are delayed. The impacts can be partially mitigated by early contractor engagement and ordering supplies and services in a timely manner.

Updates on the management of existing risks

Key Risks

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

Monitoring by the Highway Inspector is continuing, and any remedial works found to be necessary are being programmed. Consulting engineers have been employed to undertake extensive ground investigation works to determine an appropriate design that will stabilise the embankment. Detailed design options and budgets will be discussed in early July 2023 to determine the most appropriate design that will bring about long-term stability to the carriageway and embankment. Once a high-level design has been approved further site investigations are planned to help inform a more detailed design and project estimate. Works will be programmed accordingly, and a communications plan designed to inform all highway users of the project.

- 5 *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).*

In April 2015, the number of children in care in Durham was relatively stable at 622 (62 per 10k). Since April 2016, the number of children looked after (CLA) has continued to rise each year, reaching 1,067 in March 2023. In 2023, whilst the rate of increase in the highest cost placements has slowed, overall numbers of children in care are continuing to increase with greater use of family arrangements, which are less costly.

The CLA placements budget has increased significantly in recent years from £30.3 million in 2021-22 to £51.8 million in 2023-24. It is still however, anticipated that expenditure in this area will exceed budget in 2023-24. MTFP14 includes provision for additional funding to meet demographic pressures and price increase in each of the years between 2024-25 and 2027-28.

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

The Service has strengthened the governance associated with this risk, which is now overseen by the Corporate Sufficiency Board, chaired by the Corporate Director for CYPS.

Controls have been enhanced with the introduction of a £2,000 welcome payment to attract newly qualified social workers, and a restructure of the Children in Care service to increase capacity and create smaller teams with manageable caseloads.

Newly planned improvements include the creation of enhanced practitioner roles in the Children in Care Service to enable the recruitment and support of newly qualified social workers and the retention of experienced social workers.

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).*

Following widespread industrial action by NHS staff in December 2022, coinciding with high winter demand, the first half of 2023 has seen further action by the Royal College of Nursing (RCN) and the British Medical Association (BMA). Walkouts by the RCN took place on four days during January and February, followed by walkouts by the BMA on four days during April and June.

Plans were drawn up to mitigate the impact of the industrial action on urgent and emergency care activity across our hospitals and community services. This resulted in a small number of non-urgent elective procedures and outpatient appointments being cancelled. Patients impacted by this action were communicated with directly and have now had a new appointment date agreed.

In County Durham and Darlington, detailed preparations are in place across system partners, using established winter planning and emergency process protocols. Reports detailing plans are regularly presented to Adults, Health and Wellbeing Overview and Scrutiny Committee. Durham Local Area Delivery Board (LADB) prepare for expected surges in demand and co-ordinate work across partners.

Nationally, delays to discharging people from hospital when they are fit to leave continues to be a significant issue, although performance in Co Durham is usually best or next best in the region. In November 2022, the Government announced details of the £500 million Adult Social Care Discharge Fund, around 40% of which has been distributed to local authorities with the rest allocated to Integrated Care Boards (ICBs). In County Durham and Darlington, both local authority and ICB funding is being used to deliver a joint plan. Initiatives being funded include commissioning of 17 additional intermediate care block beds until the end of March 2023, pilot of rest and recovery units in care homes on behalf of the NHS, and increased domiciliary care worker capacity through additional hours, recruitment, and retention. In early

2023-24, enhanced Better Care Fund (BCF) allocations were announced, which confirmed additional funding linked to discharge would continue for at least the 2023-24 and 2024-25 financial years. Adults and Health Services have developed a plan, approved by corporate directors, to utilise this funding, including enhancements to services supporting discharge and the ability to scale-up additional capacity during winter pressure periods.

In collaboration, the ICB, County Durham and Darlington Foundation Trust (CDDFT) and the council continue to implement measures to support the ongoing demand.

The expansion of trusted assessments completed by therapeutic staff is now taking place across the five (previously two) community hospitals (Chester le Street, Shotley Bridge, Richardson, Weardale and Sedgefield. The South Hospital Discharge team continue to work closely with neighbouring trusts, which continues to aid the patient discharge process in a timely manner.

There is ongoing development of the Transfer of Care Hub, which will incorporate a system co-ordinator to improve the flow of patients referred, at the correct time in their discharge journey allowing timely assessment and discharge. There are six temporary social work staff across the Hospital Discharge teams, which was due to cease in March 2024, but has been extended to March 2025. Demand is monitored and regular use of overtime is utilised should the demand require it.

Some care providers continue to report recruitment difficulties, living wage issues and rising energy costs and, in recognition of these pressures and to supplement Government help such as the energy support scheme, the council increased the hourly rate paid to domiciliary care providers from January 2023 and provided grant support to older persons care homes. These initiatives were being funded through Discharge Grant until the end of March 2023. The improved domiciliary care hourly rate is now recurrently funded from 2023-24 and a two-year improved fee uplift has also been agreed with Older Persons care homes, a provider market which also supports discharge as a key function. The enhanced BCF funding will be used to further enhance discharge processes, including during winter periods where pressures are most challenging.

Non-Key Risks

- 8 *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**) (NCC).*

A review of business continuity arrangements in the light of a cyber interruption is being undertaken. Business continuity plans in response to national power outages are being developed following national emergency planning exercise. The council continues to participate in County Durham and Darlington Local Resilience Forum Business Continuity Working Group.

A Surge Escalation Plan (SEP) is being developed in consultation with relevant Cabinet Portfolio holders and Trade unions, for approval by Cabinet and incorporation into the Corporate Emergency Plan. The SEP will,

- enable the council to quickly mobilize and manage additional resources (surge resourcing) over an extended period to ensure an effective response to large scale, widespread and prolonged emergency incidents affecting County Durham,
- set out arrangements for mobilising key roles, typically required when we are dealing with such an incident,
- set out arrangements for identifying, selecting, and training pools of staff who can be deployed to various support roles in emergency incidents when required, with appropriate recognition/compensation for their time.

9 *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 (care providers) (AHS).*

In early 2023, Integrated Commissioning submitted to the Department of Health and Social Care a cost of care exercise, a final market sustainability plan and a spend report.

A two-year agreement, covering fees and an integrated DCC / Integrated Care Board contract for 2023/24 and 2024/25, was recently finalised with providers.

10 *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 (Care Charging Policy) (AHS).*

In line with Charging Reform, the council has submitted to the Department of Health and Social Care an indicative cost of care exercise, as specified by their guidance, a final market sustainability plan and a spend report. These documents have also been published on the council website.

- 11 *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 (CLA costs) (CYPS).*

In April 2015, the number of children looked after (CLA) in Durham was relatively stable at 622 (62 per 10k). Since April 2016, the number has continued to rise each year, reaching 1,067 in March 2023. In 2023, whilst the rate of increase in the highest cost placements has slowed, overall numbers of children in care are continuing to increase with greater use of family arrangements, which are less costly.

The council continues to implement its strategy to secure sufficient accommodation to meet the needs of young people and implement a range of early help services to prevent entry to care.

The CLA placements budget has increased significantly in recent years from £30.3 million in 2021-22 to £51.8 million in 2023-24. It is still however, anticipated that expenditure in this area will exceed budget in 2023-24. MTFP14 includes provision for additional funding to meet demographic pressures and price increase in each of the years between 2024-25 and 2027-28.

- 12 *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).*

Despite multiple recruitment episodes, attracting and retaining staff continues to be very challenging. The recruitment process is rigorous as it aims to ensure that only the most appropriate candidates are appointed, and that they are fully aware of the working environment. Although the number of applicants is generally high, approximately 50% of applicants are screened out during shortlisting and only around 10% are employed by the end of the process. For one establishment, the services of a specialist recruitment agency were commissioned to identify and recruit residential workers, and this has proved extremely positive to date with consistently successful recruitment campaigns.

Salaries are roughly in line with posts in the region within smaller community-based children's homes. Employees working after 8pm or at weekends are paid an increased rate and the whole residential team receive an annual secure allowance recognised within the local collective agreement. This allowance has been increased in line with pay awards, resulting in a better salary differential with other residential worker posts in non-secure settings.

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

A Corporate Communications Plan for Recruitment continues to be developed as improvements are made and new initiatives are being implemented, including a dedicated Jobs and Careers Facebook page to promote vacancies, careers and working at the council, and development of the council's website to include information on careers and working in each of the council's services.

- 14 *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).*

DCC is statutorily required to ensure that bus services are provided at a level that meets social needs. 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 confirmed that, from June 2023 until April 2025, Bus Recovery Grant is being replaced with the Bus Service Operators Grant Plus, but with a 50% reduction. The council will no longer receive any further funding after June 2023 (being part of an authority partnership that received a large BSIP grant award) and the Government is placing reliance on local authorities to use BSIP funding to offset this, which inhibits scope for service improvement.

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

This continues to be a significant issue, both nationally and regionally. In March 2023, the Local Government and Social Care Ombudsman upheld a complaint relating to significant delays by Surrey County Council (SCC) in completing Deprivation of Liberty Safeguards (DoLS) assessments. The Ombudsman acknowledged that many councils are struggling with the number of DoLS requests they receive and the lack of resources to address this. However, the statutory timescales still apply, and planned new legislation has not been introduced that may change these requirements. Recommendations included a requirement that SCC should create an action plan addressing the delays that have

occurred in assessing DoLS requests and stating how it will reduce the backlog of outstanding requests and respond to ongoing new requests in a timely manner.

At DCC, applications are processed using the Directors of Adult Social Services (ADASS) screening tool with oversight by the Deprivation of Liberty Safeguards Project Group, which receives regular updates on performance and forecasting scenarios. There are ongoing challenges around recruitment, retention, and training of staff, particularly Best Interests Assessors. Although processing of cases has improved, the number of applications has risen significantly in 2023, and the net risk evaluation remains at moderate impact, possible likelihood.

At a regional ADASS meeting in June 2023, representatives agreed to commission a survey to assess the overall position across the North East in relation to the processing of DoLS applications.

- 16 *Increased levels of demand combined with high inflation on transport costs may disrupt the provision of **Home to School Transport**, leading to a potential budget overspend and adverse impacts on children and families (CYPS).*

The council has a statutory duty to provide Home to School Transport (H2ST) to children and young people who meet circumstances prescribed in legislation.

This risk relates to H2ST provision in primary, secondary and special schools, and alternative provision, for which the annual budget was around £19.5m in 2022/23, rising to £29m in 2023/24.

In June 2023, the Cabinet was presented with a report on the outcomes of public consultation on the council's H2ST Service for Children and Young People. The report included a full summary of responses (appendix 2), a summary of questions and points raised at consultation meetings (appendix 3), the Equalities Impact Assessment (appendix 4). The report also included recommendations for moving forward with the service in relation to meeting child transport needs, supporting independence, promoting the council environmental policies, and delivering more efficient services.

Closed Risks

- 17 *Potential adverse impact of energy price increases on council finances (energy prices) (RES).*

The Government Energy Bill Relief Scheme ended in March 2023 and the new Energy Bill Discount Scheme from April 2023 does not include help for any of the sites on the council's energy contracts, so energy bills will be higher in the short term. However, the base budget for 2023/24 was adjusted to reflect market conditions at the point the budget was set. Since then, wholesale gas prices have not been as high as anticipated, so a modest underspend is now forecast. The council's energy budget will reduce by £2.6m in 2024/25 and will continue to reduce thereafter. The MTFP forecasts have been revised accordingly.

Emerging Risks

- 18 *A potential failure of the council's **radon gas management** arrangements may lead to an enforcement notice for a serious legal breach, resulting in fines, expensive remedial works, and reputational damage (REG).*

Radon is a colourless, odourless, radioactive gas that occurs in rocks and soils, some building materials and water. In some workplaces, it can be present in higher quantities, depending on the specific location and characteristics, and prolonged exposure to radon increases the risk of serious illness in individuals. Radon testing is a legal requirement in all below ground workplaces and all workplaces in radon affected areas.

In workplaces where radon is found to be present above a defined level, employers are required to take action to restrict resulting exposures. For example, practical control of radon levels in buildings may involve the use of improved under floor and indoor ventilation, sealing large gaps in floors and walls in contact with the ground, or installation of radon sumps and extraction pipework. In workplaces where radon is found to be present below the defined level, employers are required to review those places periodically and assign minimum review periods.

The Health and Safety Executive (HSE) and local authorities are responsible for enforcing these regulations in particular types of workplaces. The HSE is reviewing radon management arrangements within existing buildings and new builds across the region as part of a UK wide enforcement drive. It is known that several enforcement notices have been served across the North East.

A cross-service radon task and finish group, chaired by the Health and Safety and Compliance Manager, has been established to oversee the UKHSA three step system for radon management (Check, Measure, Act). A Radon Management Policy and a work programme, managed and monitored through the task and finish group, are also in place.

A preliminary strategic risk assessment concluded that the net risk evaluation is minor impact, possible likelihood, which is below the corporate risk appetite threshold.

- 19 *Uncertainties relating to investigative and remedial works required to address safety concerns around the occupation of buildings constructed using reinforced autoclaved aerated concrete (RAAC), potentially resulting in serious physical harm to individuals and disruption to pupils' education (RAAC) (REG).*

This issue was highlighted as a potential risk and relates to the potential implications of large-scale investigative and remedial works required to address safety concerns around the occupation of buildings constructed using reinforced autoclaved aerated concrete (RAAC). New evidence indicates that the durability of RAAC is much shorter than was previously understood, raising concerns about sudden structural failures, potentially resulting in physical harm to the occupants of buildings.

The council's estate includes a range of different building types and uses, including our operational estate for our workforce, community, and commercial buildings.

Led by the Councils Regeneration, Economy and Growth Corporate Landlord Service, the council commenced a programme of surveys across our estate in 2022, with the final surveys scheduled for completion by the end of December 2023. Final surveys of schools are scheduled for completion by the end of September 2023. The survey process has been extensive, and the surveys were prioritised and carried out in line with the relevant government guidance.

Based on the results of the surveys, the council confirmed that there was no evidence to suggest that there are council buildings with RAAC. We continue to respond to the latest government guidance and keep the situation under review.

This issue has generated significant public interest and the council has set up a dedicated email account for enquiries from the public.

Some academy trust schools in the County are affected and the council is working with each school to support them based on their circumstances. Persons directly affected by this issue have been asked to follow the guidance issued by the relevant school.

Potential Risks

- 20 Potential financial liability arising from a change in administrative practice in relation to payments to retired employees entitled to **Guaranteed Minimum Pensions (RES)**.

In the previous risk review, the financial liability arising from a change in administrative practice in relation to payments to retired employees entitled to Guaranteed Minimum Pensions (GMP) was highlighted as a potential emerging risk for the council.

Like both public and private pension schemes, the Durham County Council Pension Fund has gone through a process to compare values for all members in the fund who have a GMP with the equivalent values held by HM Revenue and Customs (HMRC). With the ending of contracting out and the scaling down of the HMRC team, all Pension Funds were required to go through this reconciliation process and agree the correct records.

A detailed report outlining a rectification strategy has been considered and agreed by the Pension Fund Committee. The analysis undertaken established that no Pension Fund beneficiary will see a reduction of more than £10 per month to their pension. This outcome is favourable, compared to the experience of other pension funds who have undertaken such a rectification. It is therefore considered that there is no material reputational risk to the council.

Following the annual pensions increase exercise, work is underway to conclude the rectification exercise which will be fully complete by October.

- 21 *Proposed changes to increase recycling and reduce plastic waste, to be implemented through the Environment Act 2021, may necessitate major service changes Countywide that are not fully funded through New Burdens funding, leading to significant additional costs to the council (recycling and waste) (NCC)*.

The council responded to each of these proposals through a series of Government consultation exercises, which covered proposed changes to introduce an Extended Producer Responsibility (EPR) Scheme, a Deposit Return Scheme (DRS), Consistency in Household and Business Recycling, and a UK Plastic Tax. Whilst the Plastic Tax has been introduced and the EPR and DRS schemes are being currently developed by the Government, an announcement is expected imminently in relation to the consistency agenda.

All four proposals are likely to have significant, long-term effects directly on Durham County Council, including potentially unfunded financial impacts.

Key Risks

22 The council's key risks are shown in the following table.

Key Risks Matrix

Net Impact					
Critical			7 Child Safeguarding 8 Vulnerable Adults 9 Savings Plans	2 A690 Land Slippage	1 Govt Funding
Major				3 Urgent and Emergency Care 4 Statutory Sufficiency Duty 5 Climate Change 6 Children's Social Workers	
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: Head of Corporate Finance and Commercial Services	Cross-cutting	Our Council - Durham County Council has a reputation for listening to its residents, being well-managed and getting things done / Our resources will be managed effectively.	R0595 - There is significant uncertainty in relation to future funding settlements from government, which will significantly impact upon the medium-term financial plan (Govt Funding).	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	NCC Head of Highway Services	Cross-cutting	Our Communities - Durham is a great county in which to live, with flourishing communities which are connected and supportive of each other / People will have good access to workplaces, services, retail and leisure opportunities.	R0641 - Potential progressive land slippage near the A690 may develop to an extent where a major road closure is necessary for repairs to be undertaken (A690 slippage) .	Critical	Probable	Monitoring by the Highway Inspector is continuing, and any remedial works found to be necessary are being programmed. Specialist consultants are developing design solutions to address the landslip and an optioneering workshop is planned to discuss potential solutions. Once a high-level design has been approved further site investigations are planned to help inform a more detailed design and project estimate. Works will be programmed accordingly, and a communications plan designed to inform all highway users of the project.		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
3	AHS Risk owner: Corporate Director Adult and Health Services	Service-specific	Our People - Durham is a place where people will enjoy fulfilling, long and independent lives / Better integration of health and social care services.	UR0158 - 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	Detailed preparations are in place across system partners, using established winter planning and emergency process protocols. Reports detailing plans are presented to Adults, Health and Wellbeing Overview and Scrutiny Committee (OSC) on a regular basis. Durham Local Area Delivery Board (LADB) prepare for expected surges in demand and co-ordinate work across partners. 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 both the independent sector care market and 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
4	CYPS Risk owner: Corporate Director Children & Young People's Services and Corporate Director Adult & Health Services	Service-specific	Our People - Durham is a place where people will enjoy fulfilling, long and independent lives / Children and young people will enjoy the best start in life, good health and emotional wellbeing.	R0659 - 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	Corporate CYP Sufficiency Board, chaired by John Pearce, attended by senior managers from relevant corporate services. 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 Governments 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
5	NCC Risk owner: Corporate Director Neighbourhoods & Climate Change	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 / Work with others to achieve a carbon neutral county.	R0684 - 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
6	CYPS Risk owner: Head of Children's Social Care	Service-specific	Our People - Durham is a place where people will enjoy fulfilling, long and independent lives / Children and young people will enjoy the best start in life, good health and emotional wellbeing.	R0660 - Inability to recruit and retain children's social workers and social work managers may seriously inhibit the delivery of services.	Major	Probable	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 and leadership academy to ensure SWs are well supported. Supervision framework. Ongoing risk assessment to determine if extensions to R&R allowances are justified and are applied to the right groups of social workers. Increasing investment in routes into social work. Further improving recruitment. Enhancing flexibility.		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
7	CYPS Risk owner: Corporate Director Children & Young People's Services	Service-specific	Our People - Durham is a place where people will enjoy fulfilling, long and independent lives / All children and young people will have a safe childhood.	0227 - Failure to protect a child from death or serious harm where service failure is a factor or issue (Child Safeguarding).	Critical	Possible	Durham Safeguarding Children Partnership has been established in line with the statutory requirements set out in 'Working Together 2018'. Partnership learning through scrutiny mechanisms and learning reviews underpins training for front line staff and regular staff supervision takes place. A review of the partnership arrangements has been completed reported during 2020/21.		This risk is long term.

Ref	Service leading on the risk	Range of impact (cross-cutting or service-specific)	Corporate Theme	Risk	Net Impact	Net Likelihood	Proposed Key Actions	Direction of Travel	Anticipated date when risk will be at an acceptable level
8	AHS Risk owner: Head of Adult Care	Service-specific	Our People - Durham is a place where people will enjoy fulfilling, long and independent lives / Support people whose circumstances make them vulnerable.	R0562 - Failure to protect a vulnerable adult from neglect or abuse, including financial abuse (where service failure is a factor or issue).	Critical	Possible	As the statutory body, the multi-agency Durham Safeguarding Adults Partnership 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.

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	RES Risk owner: Head of Corporate Finance and Commercial Services	Cross-cutting	Our Council - Durham County Council has a reputation for listening to its residents, being well-managed and getting things done / Our resources will be managed effectively.	R0561 - 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.

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

Based on the net risk assessment on 31 May 2023, 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	Conclusion	Main Controls and Planned Improvements
1	RES	R0595 - There is significant uncertainty in relation to future funding settlements from government, which will significantly impact upon the medium-term financial plan (Govt Funding).	Treat	See key risk schedule in appendix 3.
2	RES	R0561 - If timely and comprehensive savings plans are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves.	Treat	See key risk schedule in appendix 3.
3	REG	R0614 - Potential serious injury or loss of life due to the council failing to meet its statutory, regulatory and best practice responsibilities/ requirements for property and land .	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.
4	NCC	R0565 - 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.	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	Conclusion	Main Controls and Planned Improvements
5	REG	UR0169 - 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.	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.
6	REG	R0681 - Potential violence and aggression towards members and employees from members of the public.	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.
7	NCC	R0589 - Failure to consult with communities on major service & policy changes leading to legal challenge & delays in implementation (Consultation).	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).
8	REG	R0611 - Serious breach of Health and Safety Legislation.	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.
9	RES	UR0154 - National and local shortages of skills and labour may cause recruitment and retention difficulties, resulting in capacity shortfalls.	Treat	Main controls: A comprehensive action plan is in place to strengthen and modernise our strategic approach to recruitment across the council supported by monthly highlight reports and additional posts have been put in place in Human Resources and Employee Services to support this work. Planned improvements: A Corporate Communications Plan for Recruitment continues to be developed as improvements are made and new initiatives are being implemented including a dedicated Jobs and Careers Facebook page to promote vacancies, careers and working at the council and development of the council's website to include information on careers and working in each of the council's services.
10	RES	R0649 - Potential significant size and scope of the liabilities of equal value claims.	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	R0657 - If the council suffered a successful cyberattack or IT security breach, then it may be unable to effectively deliver essential services.	Treat	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.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
12	RES	R0440 - Due to the current economic climate, there is potential for increases in fraud and corruption in relation to grants, hardship reliefs and scams.	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.
13	NCC	R0633 - 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).	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. A business continuity training package for senior managers has been developed and is available on the Durham Learning and Development portal. Planned improvements: A Surge Escalation Plan is being developed in consultation with relevant Cabinet Portfolio holders and Trade unions, for approval by Cabinet and incorporation into the Corporate Emergency Plan.
14	RES	R0655 - Potential breach of the Data Protection Act 2018 (data breach).	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. Planned improvements: Development of Cyber Incident Response and Recovery Plan

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	Conclusion	Main Controls and Planned Improvements
15	NCC	R0641 - Potential progressive land slippage near the A690 may develop to an extent where a major road closure is necessary for repairs to be undertaken (A690 slippage).	Treat	See key risk schedule in appendix 3.
16	REG	UR0164 - 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.	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.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
17	NCC	UR0189 - Risk that the council is unable to meet its responsibilities under the Terrorism (Protection of Premises) Bill , which sets to improve protective security and organisational preparedness at publicly accessible locations.	Existing controls are considered adequate	<p>Main controls: The risk is managed with Local Resilience Forum partners through the Government's counter-terrorism strategy CONTEST (2011), which is an integrated approach to counter-terrorism, based on four main elements. The CONTEST work streams are Pursue, Protect, Prepare and Prevent.</p> <p>The Home Office and Counter Terrorism Policing UK identified DCC and 32 other authorities across the North East as a pilot area for Publicly Accessible Locations management in relation to protecting people and places from a terrorist attack in the run up to Martyn's Law being enacted. A Protect and Prepare Group (PAPG) was set up to take a joined-up approach and allow the assessment of current and emerging risks and vulnerabilities, and the provision of effective and proportionate mitigation measures. The pilot has now concluded, but the PAPG will continue to meet to support any responsibilities under Martyn's Law.</p> <p>In County Durham, the Safe Durham Partnership prioritises work to prevent people becoming terrorists or supporting terrorism. This work has a strong link to safeguarding because vulnerable adults and children can be susceptible to radicalisation and recruitment into terrorist organisations. There may be warning signs that can help identify those people for suitable interventions and support.</p> <p>The Safe Durham Partnership follows the recommendations within the National Channel Duty Guidance to enable partners to ensure that children, young people and adults are protected from the harm of being drawn into terrorism.</p> <p>Channel is a multi-agency approach, led by local authorities and the police, which provides support to individuals identified as being at risk of being drawn into terrorist related activity. County Durham Channel seeks to:</p> <ul style="list-style-type: none"> (a) safeguard individuals who might be vulnerable to being radicalised, so that they are not at risk of being drawn into terrorist related activity; and (b) ensure that individuals and communities have the ability to resist all forms of terrorism and violent extremist activity likely to lead to terrorism.
18	Corp Affairs	R0470 - Failure to consider equality implications of decisions on communities leading to successful legal challenge and delays in implementation.	The current controls are considered adequate.	<p>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.</p>

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	Conclusion	Main Controls and Planned Improvements
19	CYPS	R0646 - Potential financial and other pressures threaten the viability of some education providers .	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.
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' and wider determinants of poverty to help alleviate the impacts on County Durham residents.	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.
21	REG	UR0166 - 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 (homelessness).	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).
22	REG	UR0185 - High inflation, borrowing costs and uncertainty around Government funding and policy may cause serious harm to the local economy, leading to widespread business failures .	Treat	Main controls: The council provides support for businesses through workforce development and training services, retail business support services. Planned improvements: The council is reviewing budgets for regeneration and development projects in line with known cuts as well as increasing costs and uncertainties. The council is also working with neighbouring local authorities and the Government on a new devolution deal which should give some certainty over funding for some of these projects.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
23	CYPS	UR0187 – Increased levels of demand combined with high inflation on transport costs may disrupt the provision of Home to School Transport , leading to a potential budget overspend and adverse impacts on children and families.	Treat	Main controls: Home to School Transport Transformation Programme. A strategic Home to School Travel Board was established in June 2022 and an operational working group co-ordinates activities across the component parts of the system. A refreshed Home to School Transport Policy was approved by CMT during 2022/23. Home to School Transport Scrutiny Team established during 2022/23. Planned improvements: Establish a central Home to School Transport co-ordination function as an invest to save programme of work between Spring 2023 and March 2026. Develop joined up dashboards and reporting as part of councils Business Intelligence Programme. Business Process Review of end to end system.
24	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 inclusive economic strategy , resulting in damage to the strength and competitiveness of the of the Co Durham economy.	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: The council is reviewing budgets for regeneration and development projects in line with known cuts as well as increasing costs and uncertainties. The council is also working with neighbouring local authorities and the Government on a new devolution deal which should give some certainty over funding for some of these projects. Lobby Government for continuation of funding.
25	REG	UR0161 - 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 (construction prices).	Treat	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 reported to CMT. 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.
26	CYPS	R0668 - Government proposals to phase out school improvement grant by 2024/25 could undermine the council's ability to support maintained schools effectively.	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. School Improvement de-delegation from Schools forum agreed for 2023/24 at £7.10 per pupil for maintained primary schools.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
27	CYPS	UR0149 - Pupils may not adequately recover from the impacts of Covid19, leading to ongoing or increased inequality of educational outcomes , restricted employment prospects and an increase in the number of NEETS.	The current controls are considered adequate.	Main controls: CYP Strategic Plan 2019 – 2022. Education Durham Support and Development team. School governing bodies. CYP O&SC. Durham Schools Forum. DurhamWorks programme. Education Endowment Foundation. Teacher Development Trust. Various head teacher associations. Virtual-live training. School improvement plans. Education Durham Performance and Standards team.

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	Conclusion	Main Controls and Planned Improvements
28	NCC	R0684 - 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).	Treat	See key risk schedule in appendix 3.
29	NCC	UR0175 - Potential impacts of the spread of Ash Dieback Disease on the environment, public safety, and council finances.	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	Conclusion	Main Controls and Planned Improvements
30	AHS	UR0158 - 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.	Treat	See key risk schedule in appendix 3.
31	CYPS	R0659 - 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.	Treat	See key risk schedule in appendix 3.
32	CYPS	R0660 - Inability to recruit and retain children's social workers and social work managers may seriously inhibit the delivery of services.	Treat	See key risk schedule in appendix 3.
33	CYPS	0227 - Failure to protect a child from death or serious harm where service failure is a factor or issue (Child Safeguarding).	Treat	See key risk schedule in appendix 3.
34	AHS	R0562 - Failure to protect a vulnerable adult from neglect or abuse, including financial abuse (where service failure is a factor or issue).	Treat	See key risk schedule in appendix 3.
35	CYPS	R0674 - 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 (CLA costs).	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	Conclusion	Main Controls and Planned Improvements
36	AHS	R0634 - 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 (care providers).	Treat	<p>Current controls: Market analysis and engagement, to help providers understand the local context and align business plans with the council's vision for the future of local public health, social care and housing markets. Links to national policy makers and professional bodies, collaboration with providers and health colleagues to share intelligence and understand market sustainability issues. County Durham Care Academy supports the development of an adult social care workforce with a range of initiatives and courses. As part of the Covid response, regular information was 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. Learning from this work has continued post-pandemic.</p> <p>Planned improvements: In line with Charging Reforms, a cost of care exercise, provisional market sustainability plan and a spend report has been submitted to Department of Health and Social Care and feedback is awaited.</p>
37	AHS	R0183 - Risk of a successful legal challenge in relation to Deprivation of Liberty Safeguards , due to high caseloads and capacity pressures, leading to financial penalties and reputational damage.	Treat	<p>Main controls: Applications are processed using the Directors of Adult Social Services (ADASS) screening tool with oversight by the Deprivation of Liberty Safeguards Project Group, which receives regular updates on performance and forecasting scenarios. 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	R0671 - Increasing demand on the Dedicated Schools Grant budget for High Needs Block special educational needs services and inclusive education services may result in adverse impacts on finance and service delivery (HNB SEND).	Treat	<p>Main controls: SEND and Inclusion Resources Board. Collaboration with schools to make the HNB more sustainable. Schools Forum Reference Group. Monthly tracker report for SEND and 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 (to be completed by 01.09.23). Delivery of the Delivering Better Value in SEND Implementation Plan.</p>

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
39	NCC	R0452 - 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.	Treat	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. Investment in the service has allowed for the increased capacity in terms of enhanced training and development and the recruitment of qualified and competent staff. The service has developed a dedicated resource to deal with the potential for commercialisation of the service to cater for increased business advice as an alternative to enforcement action to achieve business compliance.
40	AHS	UR0144 - Uncertainties and challenges in relation to the impact of the Government's health and social care reforms in England set out in the Health and Care Act 2022 and associated Guidance.	The current controls are considered adequate.	In County Durham we have <ul style="list-style-type: none"> • Established an Oversight Board chaired by the Chief Executive to support the preparations for CQC "assurance" and emphasise the council wide nature of the CQC's activity • Through a Quality Assurance Board completed a self-assessment and financial return and identified areas of good practice and those which may require development • Taken part in an Association of Directors of Adult Social Services (ADASS) Annual Conversation which took the form of a peer review with recommendations which we are implementing • Worked with the CQC through ADASS to give feedback on the proposed frameworks • Improved our performance reporting • Communicated with staff and partners to keep them up to date with the emerging "assurance" framework • At Overview and Scrutiny Committee and the Health and Wellbeing Board provided briefings for councillors and partners
41	CYPS	UR0148 - 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.	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 allowance; developed webpages to improve appeal to prospective candidates; reviewed induction process. Planned improvements: Further develop recruitment materials and supporting service information for main Aycliffe site and new transitions home (Maple House).
42	CYPS	UR0167 - Increase in volume and complexity of demand for children's safeguarding services post coronavirus period (child safeguarding demand).	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.
43	AHS	R0666 - 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 (Care Charging Policy).	The current controls are considered adequate.	Current 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 Charging Reform, the council has submitted to the Department of Health and Social Care an indicative cost of care exercise as specified by their guidance, a final market sustainability plan and a spend report. These documents have also been published on the council website.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
44	REG	R0490 - Serious injury or loss of life due to Transport Safeguarding failure.	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.	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.	No training provided in this period.