

## **Audit Committee**

**27 November 2023**

### **Strategic Risk Management Progress**

**Report for 2023/24**

**Review 2: 1 June – 30 September 2023**



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## **Report of Corporate Management Team**

**Paul Darby, Corporate Director of Resources**

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

### **Purpose of the Report**

- 1 This report supports the Council's Risk Management Strategy. It highlights the strategic risks facing the Council and provides an insight into the work carried out by the Corporate Risk Management Group between June and September 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, four risks have been added: educational psychologists; fleet, plant, equipment; land slippage; and highways structures; and three risks have been downrated: urgent and emergency care services; Inclusive Economic Strategy; and local businesses and jobs.

- 5 There are updates on the management of four key risks: Government funding, savings plans, A690 slippage, and children's social workers.
- 6 There are updates on the management of seven non-key risks: property and land compliance, care providers, HNB SEND, recruitment and retention, public transport, deprivation of liberty safeguards, home to school transport.
- 7 There are updates on six emerging/potential risks: Guaranteed Minimum Pensions, Procurement Bill, Levelling-up funded programmes, recycling and waste changes, fire safety in supported living accommodation, and waste disposal / energy from waste facility.
- 8 There is an update on one other issue, information governance arrangements.
- 9 In summary, the report outlines that on 30 September 2023, there were 48 risks on the strategic risk register. There are nine key risks, relating to Government funding, A690 land slippage, educational psychologists, statutory sufficiency duty, climate change, children's social workers, child safeguarding, vulnerable adults, and savings plans, for which key mitigating actions have been identified.
- 10 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**

- 11 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

- 12 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.
- 13 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

- 14 On 30 September 2023, there were 48 risks included on the corporate strategic risk register, four more than on 30 June 2023. During the period covered by this report four risks were added, and none were removed.
- 15 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) Inability to recruit and retain **educational psychologists** at a time of rising demand may seriously inhibit the delivery of services and lead to significant delays in statutory Education, Health and Care needs assessments.
  - (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.

- 16 Since the last update to the committee, four risks have been added: educational psychologists; fleet, plant, equipment; land slippage; and highways structures; and three risks have been downrated: urgent and emergency care services; Inclusive Economic Strategy; and local businesses and jobs.
- 17 There are updates on the management of four key risks: Government funding, savings plans, A690 slippage, children’s social workers.
- 18 There are updates on the management of seven non-key risks: property and land compliance, care providers, HNB SEND, recruitment and retention, public transport, deprivation of liberty safeguards, and home to school transport.
- 19 There are updates on six emerging/potential risks: Guaranteed Minimum Pensions, Procurement Bill, Levelling-up funded programmes, recycling and waste changes, fire safety in supported living accommodation, and waste disposal / energy from waste facility.
- 20 A list of all the Council’s strategic risks on 30 September 2023, aligned to the corporate themes in County Durham Vision 2035 and the Council Plan, is included in appendix 4.
- 21 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.

- 22 To provide assurance that strategic risks are being effectively managed, and that officers and members are appropriately skilled in risk management, performance against key indicators is set out in appendix 5.

**Background papers**

- None

**Other useful documents**

- None

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## **Appendix 1: Implications**

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### **Legal Implications**

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

### **Finance**

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

### **Consultation**

None

### **Equality and Diversity / Public Sector Equality Duty**

None

### **Climate Change**

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

### **Human Rights**

None

### **Crime and Disorder**

None

### **Staffing**

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

### **Accommodation**

None

### **Risk**

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

### **Procurement**

None

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

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

Each corporate director 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 30 September 2023, there were 48 risks on the corporate strategic risk register, four more than on 30 June 2023. During this period four risks were added, and none were removed.

The following matrix profiles the strategic risks according to their net risk evaluation on 30 September 2023. To highlight changes in each category during the last period, the number of risks on 30 June 2023 is shown in brackets.

### Overall number of Strategic Risks on 30 September 2023

Impact					
Critical	1 (1)	1 (1)	3 (3)	1 (1)	1 (1)
Major		4 (4)	7 (5)	5 (4)	0 (0)
Moderate			16 (15)	8 (8)	
Minor				0 (0)	1 (1)
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

### Key Risk

- 1 *Inability to recruit and retain **educational psychologists** at a time of rising demand may seriously inhibit the delivery of SEND services and lead to significant delays in statutory Education, Health and Care needs assessments (CYPS).*

Taking account of the controls in place, the net risk evaluation has been assessed as major impact / highly probable likelihood.

The current establishment is just under 13 full-time equivalent posts and there are 5 vacancies. There is little movement within the establishment or the wider market, with the main challenge being that there are insufficient new educational psychologists qualifying regionally and nationally. Only 203 training places are made available nationally each year, which is insufficient to meet demand.

EHCPs are for children or young people aged up to 25 with special educational needs (SEN) who need more support than can be given through SEN support in their mainstream nursery, school or college. An EHCP needs assessment is an assessment of the education, health care and social care needs of a child or young person. The local authority has a legal duty to carry out the assessment process, and must get psychological advice and information from an educational psychologist as part of the process.

Demand for statutory assessments has been increasing rapidly for at least two years now. Work to assess capacity and demand is already underway, which may determine that the existing establishment is insufficient to meet demand even if it were fully filled.

Without these assessments children with SEN may not be accessing the help they need to achieve within a timely way.

Salaries have been reviewed to bring them in line with our geographical and statistical neighbours. Job descriptions have been updated to reflect the time off in lieu policy so that lack of flexibility does not put off applicants. Core hours reduced to increase flexibility for existing employees. Efforts are being made to identify and recruit overseas educational psychologists.

Planned improvements include discussions with regional stakeholders and the DfE regarding increasing the number of qualifying educational psychologists or allow other routes to qualification.

## Non-key risks

- 2 *Potential progressive **land slippage** near a public highway may develop to an extent where a major road closure is necessary for extensive and high-cost repairs to be undertaken (NCC).*

This risk relates to the council's statutory responsibility under the Highways Act 1980 to maintain the highway network, this includes carriageways, footways, bridges / structures, street lighting and drainage.

The effects of climate change continue to impact on highway assets with increased cases of extreme weather events and greater rainfall occurrences, the location and timing of incidents is unpredictable. It is assumed that as a consequence of the Coal Authority ceasing to pump mine water from their mine workings, this has resulted in an increase in ground water and a higher ground water table. It is difficult to predict the location or the frequency of landslips and their impact on the highway network, more recently major landslips have included:

- B6300 Burnigill Bank Landslip – long term road closure.
- C31 Crakehill Landslip – long term road closure.
- A690 Durham Landslip – economic and reputational damage should the embankment fail.

The major impacts of this risk, should it materialise, are financial, as well as disrupting the local economy and denying access to highways users. We may also be breaching our statutory duty to maintain the highway. In the event of land slippage there is a risk of serious personal injury and/or major road closures and extensive / high-cost repairs.

- 3 *Financial constraints may lead to the deterioration in the condition of a key **highway structure** to an extent where significant repairs or structure replacement is required, resulting in a breach of statutory duty, expensive remedial works, disruption to highways users, and damage to local businesses and the local economy (NCC).*

This risk relates to the council's statutory responsibility under the Highways Act 1980 to maintain the highway network which includes structures. The authority has a statutory obligation to inspect and maintain the structures assets, this includes two yearly General Inspections and six yearly Principal Inspections.

Continued deterioration in the condition of critical highway structures is a key vulnerability.

Without the appropriate level of investment into the maintenance of highway structures there is a risk of collapse that could cause serious personal injury and/or necessitates a major closure for repairs or replacement.

Investment in highways maintenance is largely dependent on Government funding allocations through the Local Transport Plan grant allocations and from securing investment through regional funding pots.

The main consequences/impacts are a breach of statutory duty, expensive remedial works, disruption to highways users, and damage to local businesses and the local economy.

- 4 *Supply chain issues around **fleet, plant, equipment, parts and fuel**, including high prices, reduced availability and longer lead times, may prevent the timely delivery of goods and services for a class 1 function/statutory service, resulting in a business interruption, breach of a statutory duty and serious adverse impacts on service users and the community (NCC).*

The initial estimate of the net risk evaluation was moderate impact / possible likelihood.

The risk relates to the procurement of fleet, plant, equipment\*, parts, and fuel. Although this risk has implications for business continuity, which is managed through the council's Business Continuity Management Strategy, this risk assessment focuses on tackling the causes of procurement / supply difficulties and managing and minimising demand.

Due to the large number and diversity of services affected, the risk assessment has been formulated around ensuring the continued delivery of class 1 functions\*\*/statutory services\*\*\*.

High prices, reduced availability and long lead times have meant that it is increasingly difficult to source fleet, plant, equipment, parts, and sometimes fuel in a timely manner, which could provide a potential obstruction of the timely delivery of goods and services for a class 1 function/statutory service. A similar incident occurred recently when multiple breakdowns among Middlesbrough Council's fleet of collection vehicles saw green/garden waste collections suspended during August.

The main consequences or impacts include a business interruption, breach of a statutory duty and serious adverse impacts on service users and the community.

\* FP&E includes refuse collection vehicles, electric vans, electric vehicle chargers, mowers, excavators, vehicle lifts. There is also a significant reliance on hired vehicles, operated plant (assets supplied with an operator to undertake work), site accommodation, skips and non-operated plant & equipment.

\*\* Function classification is defined in the Business Continuity Management Strategy:

- Class 1: Considered 'critical / must have' business functions. Often a statutory responsibility. 0 – 24 hours
- Class 2: Business functions ordinarily considered 'vital' but not the most important. 1 – 3 days
- Class 3: Non-vital and lower priority business function. 4 – 7 days

\*\*\* Relevant statutory services include refuse and recycling, winter maintenance, and some social care services through council providers.

### **Amended risks (downrated)**

- 5 *Increased demand and workforce pressures during the winter period may disrupt the council's and partners' **urgent and emergency care services (AHS)**.*

Following a refresh of the risk assessment, the net risk evaluation has been downrated from major impact / probable likelihood to major impact / possible likelihood.

To reflect that capacity issues have eased in the post-pandemic period, the risk description has been reformatted back to a winter pressures risk. The likelihood of major disruption has been downrated from probable to possible.

The Council's adult social care services have made significant progress in terms of post-pandemic and general demand and capacity interventions. These include eliminating the waiting list for domiciliary care which had been relatively small but caused persistent pressure since the pandemic restrictions; using national grant funding to bolster care markets, address adult care delays and backlogs, and invest in further intermediate care capacity; and further developing our Durham Care Academy offer.

As of October 2023, the Council is not experiencing any significant market pressures and is not responsible for any significant hospital discharge delays, which has resulted in the risk being downrated.

This position will be kept under review throughout the winter period when the system in general comes under increased strain, however, it is felt that the likelihood of the risk can be downrated from probable to possible, given the improved overall position locally.

6 *Uncertain economic outlook may impede the delivery of the county's **Inclusive Economic Strategy (REG)**.*

Following a refresh of the risk assessment, the net risk evaluation has been downrated from moderate impact / probable likelihood to moderate / possible to reflect the mitigations in place, including engagement and advice by Business Durham, the County Durham Pound project, business grant schemes and the Levelling Up process.

The council adopted the Inclusive Economic Strategy (IES) in late 2022 and is expected to adopt the subsequent Delivery Plan in late 2023 and a new Investment Plan in early 2024.

The IES has a long-term focus – up to 2035 - however, local economic conditions are largely driven by national and international conditions (taxes, laws, exchange rates) with local authorities having little control.

Whilst the national economy has largely recovered from the economic shock of the Covid pandemic and businesses have adapted to post-Brexit conditions, there are prevailing weaknesses in the economy at local, regional and national levels. These include high inflation, high interest rates / borrowing costs, low growth, skills shortages, and low overall business confidence.

Political conditions are also uncertain, with significant changes in government leadership and policies over the last few years and a general election due no later than January 2025. The council is committed to being part of a new North East Mayoral Combined Authority, which should bring benefits to the delivery of strategic projects but adds to uncertainties regarding policies and funding, particularly after May 2025.

Whilst the county's new Inclusive Economic Strategy outlines our collective ambitions for the next 12 years, our ability to deliver the strategy and Delivery Plan is affected by wider political and economic factors which are not in the council's control. Although the economy in general has moved on from the challenges associate with Covid and Brexit there are still risks related to these issues as well as longer-term local, regional, and national weaknesses and risks.

There are important political changes on the near horizon which could lead to changes in policies and council finance and could impact on our ability to deliver the Inclusive Economic Strategy and respond to economic challenges and opportunities. It is most likely that any changes will be moderate, and the local economy is showing some signs of strength, but the future is not clear.

7 *Challenging national, and international economic conditions beyond the control of the council risk the loss of **local businesses and jobs** across the county (REG).*

Following a refresh of the risk assessment, the net risk evaluation has been downrated from moderate impact / probable likelihood to moderate / possible.

Businesses continue to be affected by high inflation, driven by higher costs of energy, components and materials, food, and wages, meaning that the costs of doing business are high. This is compounded with high interest rates which means that borrowing costs are high for businesses that want to start, grow, innovate, or borrow money to manage their cash flow. In addition, low growth across the UK is affecting the confidence of businesses to invest in growth and skills shortages are restricting business growth.

The council provides support for businesses through Business Durham and coordinates activities through County Durham Economic Partnership. The council also works with partners to support businesses that are making redundancies with a range of workforce development and training services. However, international and national economic conditions – which the council cannot control - have the greatest impact on local businesses. Our new Inclusive Economic Strategy and accompanying Delivery Plan include a range of interventions to address strategic economic weaknesses, support long-term growth, and safeguard businesses and jobs and can be modified as conditions change.

The council is joining the North East Mayoral Combined Authority to garner more support and funding for strategic projects and promote the county's opportunities and needs. UK Shared Prosperity Funding, which is a partial replacement for EU funding, is being deployed until March 2025 and the council will continue to bid for external funding and maximise resources through delivery partnerships. The council adopted a new Inclusive Economic Strategy (IES) in late 2022 as one of its core plans and is expected to adopt a delivery plan for the IES in late 2023 which will help to plan and coordinate business support activities and align workforce improvements with business needs. In addition, an

investment plan is being prepared for adoption in early 2024 which will identify opportunities to secure private and public funding.

## Updates on the management of existing risks

### Key risks

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

This risk was fully referenced in a MTFP14 report to Cabinet in October 2023, which set out the forecast savings requirements for the period 2024/25 to 2027/28 and the uncertainty over future government funding settlements beyond 2024/25, the ongoing impact of demand for services and the significant inflationary pressures upon the council.

With the financial outlook continuing to be extremely challenging, several local authorities across the country have indicated that they may shortly need to publish Section 114 notices, with several more expected to in the coming months.

Some of these announcements have been made by local authorities who are simply running out of funding to finance core services and not related to governance failures or risky commercial decisions.

Durham County Council currently has sufficient financial resilience, a strong track record of prudent financial management and sufficiently robust budget and MTFP planning processes such that we are not, at least at this stage, in danger of the Corporate Director of Resources having to consider issuing a Section 114 notice at this stage.

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

The potential implications of this risk set out in the MTFP14 report to Cabinet in October 2023. The report built on the MTFP14 report to Cabinet in July and set out the savings required for the period 2024/25 to 2027/28 and asked Cabinet to note and approve the commencement of consultation on a range of savings proposals to help bridge the finding gap the council is forecast to face.

To enable members to make an informed decision, the savings plans were supported by an equality impact assessment, which set out the impact and planned mitigations against identified potential impacts.



- 10 *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).*

Specialist consultants have now provided a preferred design solution and negotiations are underway to enter a design and build contract.

Further site investigations continue to help inform the final design solution. Works will be programmed accordingly, and a communications plan designed to inform all highway users of the project. The estimated costs of the required works remain within the budget estimates approved as part of MTFP13.

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

This risk relates to Children's Social Care, in particular the Families First teams (including the Pre-Birth Team and the 0-18 Disabilities Team) and the Children in Care teams. The posts affected are team managers, social work consultants, lead practitioners, enhanced practitioners and social workers, and the service managers who have responsibility for the teams.

As of September 2023, the overall vacancy rate across our children's social care workforce had reduced from 21.41% to 16.53% following the recruitment of Newly Qualified social workers. It is not anticipated that the rate will reduce any further this year.

Generally, the trend is gradually increasing in line with national and regional trends despite active monitoring and intervention, the creation of new social work posts and a £2,500 recruitment and retention allowance which currently applies in our Families First teams (including the Pre-Birth Team and the 0-18 Disabilities Team). The allowance is being extended to Children in Care teams in Autumn 2023. A £2,000 welcome payment has also been introduced to help us to bring in newly qualified social workers.

There are 29 agencies workers currently working for the Service, which is 8.12% of the children's social care workforce. 8 agency workers have taken up permanent contracts with the Council over recent months.

### Non-key risks

- 12 *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** (REG).*

County Durham and Darlington Fire and Rescue Service (CDDFRS) have informed the council that the level of response from the fire service in relation to Automatic Fire Alarm systems will be reduced from Monday 2 October 2023. This has implications for various issues, including out of hours emergency response procedures (when buildings do not have a staff presence at the time when fire alarms are triggered), as well as business continuity and insurance.

In relation to emergency response procedures, the Senior Health and Safety Advisor has raised the matter with the Facilities Manager so that FM leads can be given appropriate advice on changes required.

The Civil Contingencies Unit has been made aware of the changes so that business continuity implications can be considered.

The council's insurers have advised that they are aware of similar changes by several fire authorities around the country and they have no real issues with the changes. The Fire Service will continue to attend Alarm Receiving Centre calls if it is a community building (e.g., schools).

- 13 *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).*

Two of the 96 Older Persons care homes announced they would close in the first half of 2023; integrated commissioning implemented robust plans to decommission the services, and these have been successfully concluded.

AHS have plans in place to further support independent sector adult social care providers during the winter 2023/24 period, including through national grant funding allocated by DHSC.

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 published on the Council's website to inform providers on the current position and future strategic direction.

Recent reports in the national press have raised safety concerns around the occupation of buildings constructed using reinforced autoclaved aerated concrete (RAAC). Preliminary enquiries with external social care providers have not highlighted any issues, but formal communications have been issued to all relevant markets.

- 14 *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) (CYPS).*

Without intervention, the budget deficit has the potential to rise further in future years. Forecasts have been completed as part of current Department for Education sponsored Delivering Better Value work and will be presented to cabinet in December 2023.

A key control improvement planned to mitigate this risk is implementation of the Delivering Better Value in SEND Implementation Plan by March 2025. Phase 1 of the High Needs Block Sustainability Programme is scheduled for completion in September 2023, and phase 2 is planned.

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

A comprehensive action plan is in place to strengthen and modernise our strategic approach to recruitment across the council and additional posts have been put in place in Human Resources and Employee Services to support this work. A dedicated Jobs and Careers Facebook page has been launched to promote vacancies, careers and working at the council.

A Corporate Communications Plan for recruitment continues to be developed as improvements are made and new initiatives are being implemented including the development of the council's website to include information on careers and working in each of the council's services and additional training for managers. A data profile for recruitment and resourcing continues to be developed to identify areas of risk and where improvements or interventions are required.

- 16 *Withdrawal of, or changes to, 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 usage of bus services declined by around 20% due to the impacts of the Covid pandemic, and patronage continues to be below pre-pandemic levels, making service delivery economically unviable for bus operators. If the bus network is not financially sustainable, services are likely to need to be cut back, or a larger share of public subsidy provided on an on-going basis. DCC is statutorily required to ensure

that bus services are provided at a level that meets social needs, although it should be noted that bus operators also receive funding direct from the Government.

During 2020/21, the Department for Transport (DfT) started awarding funding to mitigate the impacts of the pandemic, but this is now being gradually reduced nationally. As the region received a large Bus Service Improvement Plan allocation, the council will not receive any further funding post 30 June 2023, and there is uncertainty around future funding.

The DfT is about to commence consultation on Bus Service Operators Grant (BSOG) reform, which could result in increases or decreases to the amount of BSOG payments that the council and / or local bus service operators receive from DfT. Any decreases could result in the need to cut back services or a larger share of public subsidy provided on an ongoing basis.

The DfT is also due to issue revised guidance and a reimbursement calculator for the amounts of English National Concessionary Travel Scheme (ENCTS) paid to local bus service operators. This could result in increases or decreases to the amount of ENCTS payments from the council to local bus service operators. If local bus operators receive less ENCTS funding, this could result in services being cut back. Should the council be required to reimburse local bus operators a larger ENCTS reimbursement this could impact on the council's Medium Term Financial Plan.

The financial impact to the council will be the amount needed to raise service levels to meet essential social needs. The current estimate is around £2m, but this could increase once full details of BSOG and ENCTS changes are known. The current estimated impact on service delivery is around 20 PVR (peak vehicle requirement) across the County Durham public transport network, but this could increase once full details of BSOG and ENCTS changes are known.

In January 2023, the Government introduced a £2 bus fare cap on a single ticket on most bus services in England outside London and, in October 2023, this was extended until 31 December 2024. At this point there is potential reputational damage to the Council when bus fares increase at the end of the scheme.

- 17 *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.

- 18 *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).*

In 2021 the council undertook an external review of the Home to School Transport Service. The review findings were used to develop a set of proposals to transform the service and support the management of demand pressures and support greater independence for young people. Following a public consultation exercise, which took place between February and April 2023, a final programme of improvements and efficiency work was agreed by cabinet in July 2023. This programme is now being implemented to provide mitigation against the anticipated rise in demand and contract costs.

### **Emerging/potential risks**

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

In late 2022, 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 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 is expected to be fully complete by October.

- 20 *Proposed reforms in the **Transforming Public Procurement Bill** may significantly limit the Council's ability to use the current procurement exemptions to enter collaborative arrangements with other local authorities and public sector bodies to deliver efficient public services (RES).*

There are two important procurement exemptions under Regulation 12 of the Public Contracts Regulations 2015, which facilitate cooperation and shared services between entities within the public sector. The 'Teckal' exemption enables public bodies to award contracts to entities that, though legally distinct, are 'in house' to the awarding authority. The 'Hamburg' exemption relates to cooperation arrangements between public authorities to deliver services, such as waste management.

The Bill introduces new wording that stipulates that these exemptions can now only be used if the contract 'could not reasonably be supplied under a separate contract', which could significantly limit the use of these long-standing exemptions. It will often be the case that public services, whether front-line or back office, could 'reasonably be supplied under a separate contract' by a provider who is not a public entity. As a result, this provision, can be read as a requirement for the public sector to have to engage the market, even for arrangements that are currently being delivered wholly within the public-sector. If enacted, this new

wording could close down models of collaboration and efficient service delivery which save public money. The Bill also opens up a new avenue of legal challenge against the public sector.

As of September 2023, the bill is still under development and consultation, and we cannot put anything into action until we have a clear understanding of the changes and the implications this will have on our procurement practices, such as Teckal and Hamburg, and current contracts/partnerships. Officers are monitoring progress, but there are no other actions planned at this point in time.

21 *Limited capacity and challenging timescales may prevent successful delivery of **Levelling-up funded programmes (REG)**.*

We are still awaiting the announcement of the criteria for Levelling Up round 3, so this remains a potential future risk.

The council has been allocated £20m for Spennymoor from the recently established Long-Term Plan for Towns funding, a 10-year programme of investment for which the council will need to establish governance, stakeholder engagement, and resource delivery.

22 *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).*

This risk relates to the recycling and waste service.

The Government is considering proposals to place additional responsibilities on councils that are intended to increase recycling and reduce plastic waste across England.

The proposals include the introduction of an Extended Producer Responsibility (EPR) Scheme, a Deposit Return Scheme (DRS), and Consistency in Household and Business Recycling. There is uncertainty around the timing of the changes, which could be at short notice, and the level of coverage across the County, which could be extensive. The changes could also create significant challenges around recruitment and procurement, which would include multiple, long-lead time contracts for vehicles, bins, and food treatment. Market conditions could lead to a lack of contract bids or very high contract costs. The changes may not be fully funded through New Burdens funding.

Due to the challenging nature of the proposals, including the range and scale of services involved, and uncertain timing, the council may be unable to design and implement the necessary service delivery changes within the Government's timeframe.

The main consequences or impacts of the risk include reduced standards of performance, a potential breach of statutory responsibility, operational disruption, and failure to meet environmental targets.

- 23 *Differences of opinion over the interpretation of the Regulatory Reform Order 2005, in relation to who is the responsible person for meeting the requirements of the order in some types of accommodation (fire safety in supported living accommodation) (AHS).*

This risk relates to fire safety in supported living accommodation.

There is a difference of opinion over the interpretation of the Regulatory Reform (Fire Safety) Order 2005, in relation to who is the responsible person for meeting the requirements of the order in some types of accommodation.

The key requirements, which are agreed, are that services must have in place a fire risk assessment, a fire evacuation strategy, appropriate training for care staff and a Personal Emergency Evacuation Plan (PEEP) for individual tenants, and these should be tested/timed. There is also a requirement to have necessary staffing levels for safe evacuation.

The County Durham and Darlington Fire and Rescue Service (CDDFRS) believe that the council, as the organiser and funder of care, would be held to account for a fatality or injury to a supported living tenant in the event of a fire and the case went to court. The Council has a different view, and its advice is that the provider is responsible for ensuring their provision meets all relevant statutory requirements.

Supported Living providers have been made aware that they are responsible for putting in place fire risk assessments, fire training and PEEPs, and a further reminder of this is being issued to the market in early October 2023. This will be verified during quality monitoring visits due to be undertaken by commissioning officers later this financial year.

- 24 *Uncertainties relating to the partnership project between the seven North East Local Authorities (7LA) to procure and deliver a large residual waste disposal / energy recovery facility (ERF) (NCC).*



This project seeks to procure a design, build, finance, and operate a contract for a 450,000-tonne capacity, residual waste / energy recovery facility (ERF).

The project is inherently challenging because of its scale in terms of duration and cost, the technology involved, and reliance on effective strategic partnership working.

There are also some potential variations in costs and funding, and the grid connection date is uncertain at this stage. However, the intended benefits include efficient, cost effective/secured and sustainable residual waste treatment for up to 40 years for 1.5 million residents, producing enough energy to power 60,000 homes with potential heat offtake and carbon management through carbon capture utilisation and storage.

The project is being managed through the Local Partnerships Programme Manager, with representation from the 7LA Boards, and supported by financial, technical and legal advisors.

## **Other issues**

### Information Governance

- 25 In February 2022, Cabinet agreed a data and insight programme to progress the council's Business Intelligence Strategy. This followed on from the findings and recommendations of a Corporate Business Intelligence Review, undertaken in 2021, which aimed to assess how the Council could better use the collective data it holds and work with partners to provide better data led intelligence for the Council, in line with a population health management approach.

As part of the programme, the council has commissioned some work to strengthen its data governance arrangements and inform future investment decisions.

## Key Risks

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

### Key Risks Matrix

<b>Net Impact</b>					
Critical			7 Child Safeguarding 8 Vulnerable Adults 9 Savings Plans	2 A690 Land Slippage	1 Govt Funding
Major				3 Educational psychologists 4 Statutory Sufficiency Duty 5 Climate Change 6 Children's Social Workers	
Moderate					
Minor					
Insignificant					
<b>Net Likelihood</b>	Remote	Unlikely	Possible	Probable	Highly Probable

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

## Key Risks Schedule

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

Ref	Service leading on the risk	Range of impact (cross-cutting or service-specific)	Corporate Theme	Risk	Net Impact	Net Likelihood	Proposed Key Actions	Direction of Travel	Anticipated date when risk will be at an acceptable level
1	RES  Risk owner: 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 ( <b>Govt Funding</b> ).	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 <b>(A690 slippage)</b> .	Critical	Probable	<p>Monitoring by the Highway Inspector is continuing, and any remedial works found to be necessary are being programmed.</p> <p>Specialist consultants have now provided a preferred design solution and negotiations are underway to a design and build contract.</p> <p>Further site investigations continue to help inform the final design solution. Works will be programmed accordingly, and a communications plan designed to inform all highway users of the project.</p>		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	CYPS  Risk owner: Head of Early Help, Inclusion and Vulnerable Children	Service-specific	Our People - Durham is a place where people will enjoy fulfilling, long and independent lives / Children and young people with special educational needs and disabilities will achieve the best possible outcomes.	UR0196 - Inability to recruit and retain <b>educational psychologists</b> at a time of rising demand may seriously inhibit the delivery of <i>SEND</i> services and lead to significant delays in statutory Education, Health and Care needs assessments.	Major	Highly Probable	<p>Main controls: Salaries reviewed to bring in line with our geographical and statistical neighbours. Job descriptions updated to reflect time off in lieu policy so that lack of flexibility did not put off applicants. Core hours reduced to increase flexibility for existing employees. Contract to identify overseas Educational Psychologists for permanent contracts.</p> <p>Planned improvements: Discussions with regional stakeholders and DfE regarding increasing the number of qualifying educational psychologists or allow other routes to qualification.</p>	New risk	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 <b>statutory sufficiency duty</b> to provide sufficient accommodation in the local authority area to meet the needs of Children Looked After and children in need.	Major	Probable	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 ( <b>climate change</b> ).	Major	Probable	One of the key mitigations is the Climate Emergency Response Plan 2020-2022, incorporating over 100 projects. The scale, duration and complexity of the programme means that sustained oversight, monitoring and review are essential. Environment and Sustainable Communities Overview and Scrutiny Committee will review performance against the plan and make recommendations for the revision of targets.		This risk is long term.

Ref	Service leading on the risk	Range of impact (cross-cutting or service-specific)	Corporate Theme	Risk	Net Impact	Net Likelihood	Proposed Key Actions	Direction of Travel	Anticipated date when risk will be at an acceptable level
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 <b>children's social workers</b> 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 ( <b>Child Safeguarding</b> ).	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 <b>vulnerable adult</b> 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 <b>savings plans</b> are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves.	Critical	Possible	The Delivery plan implementation will be monitored by CMT and Cabinet.		This will be a significant risk for at least the next 4 years. No further mitigation is planned at the current stage.

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

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 ( <b>Govt Funding</b> ).	Treat	See key risk schedule in appendix 3.
2	RES	R0561 - If timely and comprehensive <b>savings plans</b> are not in place across the council, required savings may not be achieved, necessitating extensive utilisation of reserves.	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 <b>property and land</b> .	Treat	<b>Main controls:</b> Unitised Corporate Property and Land Service, asset database, training programme. Capitalised maintenance programme. Incident reporting and monitoring in collaboration with relevant parties, where appropriate. <b>Planned improvements:</b> implement a corporate service delivery model and estate management performance indicators.
4	NCC	R0565 - Breach of duty under Civil Contingencies Act by failing to prepare for, respond to and recover from a <b>major incident</b> , leading to a civil emergency.	Treat	<b>Main controls:</b> Local Resilience Forum Strategic Board (strategic direction), Tactical Business Group (delivery and performance management), Standing Group (horizon scanning, threat assessments, training, testing and plan exercises). Mutual aid agreement with neighbouring local authorities. <b>Planned improvements:</b> 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).
5	REG	UR0169 - Increased difficulty in retaining or finding tenants for Council-owned <b>leisure/retail units</b> , leading to an increased risk of medium to long term losses in revenue.	The current controls are considered adequate.	<b>Main controls:</b> 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.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
6	REG	R0681 - Potential <b>violence and aggression</b> towards members and employees from members of the public.	The current controls are considered adequate.	<b>Main controls:</b> Oversight by Health, Safety and Wellbeing Strategic Group. Management of Violence & Aggression Policy. Potentially Violent Persons Register. Guidance to employees and elected members. Violence and Aggression accident and incident reporting procedure. Physical security features on Council premises. Collaboration with Durham Police re intelligence, where appropriate. Civil action against individuals, where appropriate. Security Strategy and Policy. Security assessment of customer access related premises. Violence and aggression related guidance, support and inductions for members.
7	NCC	R0589 - Failure to consult with communities on major service & policy changes leading to legal challenge & delays in implementation ( <b>Consultation</b> ).	The current controls are considered adequate.	<b>Main controls:</b> Consultation Statement (commitment and approach), Consultation Plan, Consultation Team, cross-service Consultation Officer Group. Consultation is embedded in strategic planning, decision-making and Medium-Term Financial Plan. Consultations web page. Membership of the Consultation Institute (awareness, advice).
8	REG	R0611 - Serious breach of <b>Health and Safety</b> Legislation.	The current controls are considered adequate.	<b>Main controls:</b> Health and Safety (H&S) Management System, policy, strategy, supporting guidance, codes of practice. Proactive audit, inspection and monitoring regimes, accident, incident and ill-health reporting procedures adapted for Covid19. Occupational H&S Team. Oversight by cross-service Corporate Health, Safety and Wellbeing Strategic Group, chaired by Corporate Director of Resources.
9	RES	UR0154 - National and local shortages of skills and labour may cause <b>recruitment and retention</b> difficulties, resulting in capacity shortfalls.	Treat	<b>Main controls:</b> 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. <b>Planned improvements:</b> 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	UR0198 – Supply chain issues around <b>fleet, plant, equipment</b> , parts and fuel, including high prices, reduced availability and longer lead times, may prevent the timely delivery of goods and services for a class 1 function/statutory service, resulting in a business interruption, breach of a statutory duty and serious adverse impacts on service users and the community.	Tolerate	<b>Main controls:</b> Corporate Procurement Strategy 2020 - 2024, including collaborative procurement and supplier engagement, category management approach, supporting services with contract management. Sourcing products and services from an increased number of suppliers.
11	RES	R0649 - Potential significant size and scope of the liabilities of <b>equal value</b> claims.	The current controls are considered adequate.	<b>Main controls:</b> The Council is working with claimants and their legal representatives to determine those claimants who have a legitimate claim. Work is ongoing with the Tribunal to seek an agreeable settlement for all parties.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
12	RES	R0657 - If the Council suffered a successful <b>cyberattack</b> or IT security breach, then it may be unable to effectively deliver essential services.	Treat	<b>Main controls:</b> In June 2022, Cabinet approved a new cyber security strategy, which will be underpinned by the implementation programme. Business Continuity plans. Collaboration with Police, Fire, NHS via a Strategic Co-ordination Group. Critical assets risk assessed. Anti-Virus, Anti-spam, Spyware software protection. Regular Intrusion Detection test. Firewalls. Password protection. Third-Party Access Policy. Staged phishing exercises. User awareness.
13	RES	R0440 - Due to the current economic climate, there is potential for increases in <b>fraud and corruption</b> in relation to grants, hardship reliefs and scams.	The current controls are considered adequate.	<b>Main controls:</b> Corporate Fraud Team, Counter Fraud & Corruption Strategy, Fraud Response Plan, Corporate Fraud Sanction Policy, Confidential Reporting Code, Anti-Money Laundering Policy and Counter Fraud Plan. Preventive measures include training, fraud awareness, and publicity campaigns/fraud communication strategy. Numerous fraud reporting channels available. Data analytics/matching and fraud data hub. Reported cases are investigated rigorously and promptly, and appropriate action taken. Multi-agency partnerships working.
14	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 ( <b>business interruption</b> ).	The current controls are considered adequate.	<b>Main controls:</b> Business Continuity Management (BCM) Strategy, Policy and Steering Group. Comprehensive, up-to-date business impact analysis data. Service-specific, management-approved business impact analyses. Strategic, tactical and operational plans tested and in place. Backup ICT site. A business continuity training package for senior managers has been developed and is available on the Durham Learning and Development portal. <b>Planned improvements:</b> 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.
15	RES	R0655 - Potential breach of the Data Protection Act 2018 ( <b>data breach</b> ).	The current controls are considered adequate.	<b>Main controls:</b> Data Protection Policy and supporting procedures. Information Security Policy. Statutory Data Protection Officer appointed. Oversight by cross-service Information Governance Group. Regular data protection training for staff. Data breach reporting process and procedure. Technology and working practices to avoid potential homeworking related breaches. <b>Planned improvements:</b> 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
16	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 ( <b>A690 slippage</b> ).	Treat	See key risk schedule in appendix 3.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
17	REG	UR0164 - Withdrawal of, or changes to, financial support to bus operators may result in reduced <b>public transport</b> 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.	<b>Main controls:</b> 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.
18	NCC	UR0189 - Risk that the council is unable to meet its responsibilities under the <b>Terrorism (Protection of Premises) Bill</b> when enacted, which sets to improve protective security and organisational preparedness at publicly accessible locations.	Existing controls are considered adequate	<p><b>Main controls:</b> 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>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> <p>(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</p> <p>(b) ensure that individuals and communities have the ability to resist all forms of terrorism and violent extremist activity likely to lead to terrorism.</p>
19	NCC	UR0201 - Potential progressive <b>land slippage</b> near a public highway may develop to an extent where a major road closure is necessary for extensive and high-cost repairs to be undertaken.	The current controls are considered adequate.	<b>Main controls:</b> Highways Maintenance Plan. Local Transport Plan Capital Programme and Budget. Additional investment through Capital Contingencies and MTFP capital bids. Programme of principal and general inspections of highways assets in line with relevant standards and codes of practice. Intrusive investigations and assessment calculations to determine condition and loading capacity where concerns are reported or identified.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
20	NCC	UR0202 - Financial constraints may lead to the deterioration in the condition of a key <b>highway structure</b> to an extent where significant repairs or structure replacement is required, resulting in a breach of statutory duty, expensive remedial works, disruption to highways users, and damage to local businesses and the local economy.	The current controls are considered adequate.	<b>Main controls:</b> Highways Maintenance Plan. Local Transport Plan Capital Programme and Budget. Additional investment through Capital Contingencies and MTFP capital bids. Programme of principal and general inspections of highways assets in line with relevant standards and codes of practice. Intrusive investigations and assessment calculations to determine condition and loading capacity where concerns are reported or identified.
21	Corp Affairs	R0470 - Failure to consider <b>equality</b> implications of decisions on communities leading to successful legal challenge and delays in implementation.	The current controls are considered adequate.	<b>Main controls:</b> Member portfolio for Equality and Inclusion. Dedicated Equality Team provides training, awareness, support and guidance to members and staff. Public Sector Equality Duty objectives are included in the Council Plan. Impact assessment process is embedded in processes for strategic planning, decision-making, public and stakeholder consultation and the medium-term financial plan.

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

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
22	CYPS	R0646 - Potential financial and other pressures threaten the viability of some <b>education providers</b> .	The current controls are considered adequate.	<b>Main controls:</b> School Strategy. Education Review Board. Sustainability Fund (early years providers). New protocols in place to support federations and shared headships. Leadership advisers support to schools. Business Continuity Planning and monitoring. Consultation on amalgamation of schools where opportunities arise.
23	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 <b>poverty</b> to help alleviate the impacts on County Durham residents.	The current controls are considered adequate.	<b>Main controls:</b> Poverty Action Strategy and Plan; Child Poverty Action Plan; Poverty Action Steering Group; Housing Welfare Reform Group triage process; Child Poverty Group; Partnership working including but not exclusive to Advice in County Durham Partnership; Various practical, financial and advisory support services; and Communications programme and staff training.



Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
24	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 ( <b>homelessness</b> ).	Treat	<p><b>Main controls:</b> The Housing Solutions service supports residents who are in financial difficulty and at risk of homelessness, including referrals to organisations providing advice and support on 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.</p> <p><b>Planned improvements:</b> 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).</p>
25	CYPS	UR0187 – Increased levels of demand combined with high inflation on transport costs may disrupt the provision of <b>Home to School Transport</b> , leading to a potential budget overspend and adverse impacts on children and families.	Treat	<p><b>Main controls:</b> 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.</p> <p><b>Planned improvements:</b> 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.</p>
26	REG	R0648 - Uncertain economic outlook may impede the delivery of the county's <b>Inclusive Economic Strategy</b> .	Treat	<p><b>Main controls:</b> Engagement and advice by Business Durham. Weekly Regional Business Intelligence reports to Government. The County Durham Pound project. Business Grant Schemes. Levelling Up process.</p> <p><b>Planned improvements:</b> 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. We will also continue to lobby the Government for appropriate levels of funding to help address our needs and supports growth across the county.</p>

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
27	REG	UR0185 - Challenging national, and international economic conditions beyond the control of the council risk the loss of <b>local businesses and jobs</b> across the county.	Treat	<p><b>Main controls:</b> The council provides support for businesses through Business Durham and coordinates activities via County Durham Economic Partnership. The council also works with partners to support businesses that are making redundancies with a range of workforce development and training services. However, international and national economic conditions – which the council cannot control - have the greatest impact on local businesses. Our new Inclusive Economic Strategy and accompanying Delivery Plan include a range of interventions to address strategic economic weaknesses, support long-term growth, and safeguard businesses and jobs and can be modified as conditions change.</p> <p><b>Planned improvements:</b> The council continually reviews budgets for regeneration and development projects and is joining the North East Mayoral Combined Authority to garner more support and funding for strategic project and promote the county's opportunities and needs. UK Shared Prosperity Funding – which is a partial replacement for EU funding – is being deployed until March 2025 and the council will continue to bid for external funding and maximise resources via delivery partnerships. The council adopted a new Inclusive Economic Strategy (IES) in late 2022 as one of its core plans and is expected to adopt a delivery plan for the IES in late 2023 which will help to plan and coordinate business support activities and align workforce improvements with business needs. In addition, an investment plan is being prepared for adoption in early 2024 which will identify opportunities to secure private and public funding.</p>
28	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 ( <b>construction prices</b> ).	Treat	<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 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.</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>
29	CYPS	R0668 - Government proposals to phase out <b>school improvement grant</b> by 2024/25 could undermine the Council's ability to support maintained schools effectively.	The current controls are considered adequate.	<p><b>Main controls:</b> 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.</p>

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

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

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

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

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
33	CYPS	UR0196 - Inability to recruit and retain <b>educational psychologists</b> at a time of rising demand may seriously inhibit the delivery of <i>SEND</i> services and lead to significant delays in statutory Education, Health and Care needs assessments.	Treat	See key risk schedule in appendix 3.
34	CYPS	R0659 - Risk of being unable to meet the authority's <b>statutory sufficiency duty</b> to provide sufficient accommodation in the local authority area to meet the needs of Children Looked After and children in need.	Treat	See key risk schedule in appendix 3.
35	CYPS	R0660 - Inability to recruit and retain <b>children's social workers</b> and social work managers may seriously inhibit the delivery of services.	Treat	See key risk schedule in appendix 3.
36	CYPS	0227 - Failure to protect a child from death or serious harm where service failure is a factor or issue ( <b>Child Safeguarding</b> ).	Treat	See key risk schedule in appendix 3.
37	AHS	R0562 - Failure to protect a <b>vulnerable adult</b> from neglect or abuse, including financial abuse (where service failure is a factor or issue).	Treat	See key risk schedule in appendix 3.
38	AHS	UR0158 - Increased demand and workforce pressures during the winter period may disrupt the council's and partners' <b>urgent and emergency care services</b> .	Treat	<b>Main controls:</b> 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. <b>Planned improvements:</b> 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.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
39	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 ( <b>CLA costs</b> ).	The current controls are considered adequate.	<b>Main controls:</b> 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.
40	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 ( <b>care providers</b> ).	Treat	<b>Main controls:</b> Market analysis and engagement, to help providers understand the local context and align business plans with the council's vision for the future of local public health, social care and housing markets. Links to national policy makers and professional bodies, collaboration with providers and health colleagues to share intelligence and understand market sustainability issues. County Durham Care Academy supports the development of an adult social care workforce with a range of 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. Specific support has been offered on business planning. <b>Planned improvements:</b> 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 published on the Council's website to inform providers on the current position and future strategic direction.
41	AHS	R0183 - Risk of a successful legal challenge in relation to <b>Deprivation of Liberty Safeguards</b> , due to high caseloads and capacity pressures, leading to financial penalties and reputational damage.	Treat	<b>Main controls:</b> 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. <b>Planned Improvements:</b> 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.
42	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 ( <b>HNB SEND</b> ).	Treat	<b>Main controls:</b> 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. <b>Planned Improvements:</b> Implementation of HNB Sustainability Programme, Phase 2. Delivery of the Delivering Better Value in SEND Implementation Plan.

Ref	Service	Risk	Conclusion	Main Controls and Planned Improvements
43	NCC	R0452 - Demand pressures on the <b>Community Protection</b> 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	<b>Main controls:</b> The Community Protection Team's work is governed by Food Safety/Health and Safety plans. There is a training and development programme and post-graduate training for 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.
44	AHS	UR0144 - Uncertainties and challenges in relation to the impact of the Government's <b>health and social care reforms</b> 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"> <li>• 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</li> <li>• Through a Quality Assurance Board completed a self assessment and financial return and identified areas of good practice and those which may require development</li> <li>• 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</li> <li>• Worked with the CQC through ADASS to give feedback on the proposed frameworks</li> <li>• Improved our performance reporting</li> <li>• Communicated with staff and partners to keep them up to date with the emerging "assurance" framework</li> <li>• At Overview and Scrutiny Committee and the Health and Wellbeing Board provided briefings for Councillors and partners</li> </ul>
45	CYPS	UR0148 - Inability to recruit residential <b>children's homes staff</b> may seriously inhibit capacity to deliver essential, specialist services to children and young people from across England and Wales.	Treat	<b>Main controls:</b> Human Resources Team. Recruitment strategy. Working with specialised recruitment agency. Performance and Development Review Scheme. Occupational Health service. Employee assistance programme. Independent psychotherapy service. Post-incident debriefing and learning. Secure and recruitment/retention allowance; developed webpages to improve appeal to prospective candidates; reviewed induction process. <b>Planned improvements:</b> Further develop recruitment materials and supporting service information for main Aycliffe site and new transitions home (Maple House).
46	CYPS	UR0167 - Increase in volume and complexity of demand for children's safeguarding services post coronavirus period ( <b>child safeguarding demand</b> ).	The current controls are considered adequate.	<b>Main controls:</b> To strengthen Families First services, additional management capacity has been provided and the number of teams has been increased from 14 to 15. A growth bid to strengthen children's social care capacity has been agreed. Robust processes in place at First Contact and MASH to assess new referrals, while trends and patterns are monitored regularly to ensure managers are sighted on peaks and troughs. Weekly discussions are also held with safeguarding partners.
47	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 ( <b>Care Charging Policy</b> ).	The current controls are considered adequate.	<b>Current controls:</b> 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. <b>Planned improvements:</b> 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
48	REG	R0490 - Serious injury or loss of life due to <b>Transport Safeguarding</b> failure.	The current controls are considered adequate.	<b>Main controls:</b> Children's and adults' safeguarding policies. In-house fleet buses are maintained regularly. Contractors are required to maintain vehicles in a safe, roadworthy condition and comply with relevant, statutory provisions. Sample checking of vehicles in co-operation with the Police and the Driver and Vehicle Licensing Agency.

## Appendix 5: Performance of Risk Management

### Performance Indicators - Tangible Measures

Objective: To demonstrate that risks are being effectively managed				
KPI	Measure of Assessment	Target & (Frequency of Measurement)	Last Period	This Period
All risks are reviewed on a continual cycle	Service Risk Review completed each quarter	100% (3 times pa)	100%	100%
Risk mitigation is being implemented as planned	Risk actions on high-scoring risks implemented within target date	Target N/A (3 times pa)	No outstanding actions	No outstanding actions
Risks are being effectively managed	Number of <b>current</b> risks where Net risk scores have reduced over the quarter	Target N/A (3 times pa)	None	None
Contributing to effective corporate governance	Meeting CIPFA governance principles and objectives on risk management	Confirmed in the annual review of the effectiveness of corporate governance (Annual)	None	None
Objective: To ensure that Officers and Members are appropriately skilled in risk management				
KPI	Measure of Assessment	Target & (Frequency of Measurement)	Last Period	This Period
Appropriate staff are adequately skilled in risk management	Number of officers attending risk management training course	Target N/A	No training provided in this period.	No training provided in this period. An e-learning package is at an advanced stage of development.
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. An e-learning package is at an advanced stage of development.