

Corporate Risk Register (February 2022)

Changes are summarised under each Risk title summary.

Risk 01: The risk of a serious safeguarding error where the council has responsibility, resulting in serious harm or death

Lead Member(s): Cllr Bobby Feeley, Cllr Huw Hilditch-Roberts and Cllr Mark Young

Risk Owner: Nicola Stubbins

February update:

The ancillary controls have been updated. The controls section (for all risks, where appropriate), now includes a list of indicators that can be used to demonstrate the effectiveness of controls, together with any recent or planned internal or external assurance. As a result of the new list of indicators, the further action ('Monitor performance in relation to the percentage of eligible staff (corporate and schools) that have an up-to-date DBS and reference check or risk assessment') has been deleted (it is also being handled as a service challenge action for Legal, HR and Democratic Services).

The risk score has not changed.

Description

This risk - concerning children and adults at risk - is increasing as the environment is changing, with growing expectations around our duties in relation to third party provision. The cumulative impact of reducing resources across the public sector may impact agencies' ability to appropriately recognise safeguarding risks which may also create extra pressures for the Local Authority.

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Anticipated direction of travel:

We expect this to be a static risk that consistently features in our corporate risk register. This ensures continued close management at the most senior operational, corporate and political levels of the council. We do not anticipate changes to the risk score nor to our risk appetite.

Impact / Consequences

- Individual(s) experience significant harm or death.
- Significant reputational loss.
- Possible intervention by Welsh Government.
- Legal/compensation costs.

Inherent Risk

B2 – Critical Risk: Likely / High Impact

Controls to Manage Risk (in place)

Critical controls:

- We have a statutory responsibility for safeguarding and the operational delivery of our statutory functions, alongside our partners', are our critical controls to mitigate the risk. Other services, and our wider corporate response, is about understanding and awareness so that people know what to do if and when they have concerns about a person or family's welfare.

Ancillary controls (*newest first*):

- We are responding to a Welsh Government call for evidence regarding independent schools' legislation and guidance in Wales. Some of the proposed changes to safeguarding are a direct result of issues and concerns raised by Denbighshire County Council.

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- The North Wales Safeguarding Children Board Local Delivery Group, developed by Denbighshire, has been recognised as good practice.
- The Corporate Parenting Forum continues to progress well and is well attended.
- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- Safeguarding policy and procedures are in place. The Corporate Safeguarding Policy has been reviewed and updated in line with new legislation.
- Corporate Safeguarding Training Programme.
- Framework of self-assessment for schools in relation to safeguarding has been established.
- Section 28 audit tool in place for voluntary sector to ensure safeguarding practices are in place.
- Compliance with safeguarding practises is part of the annual HR audit of schools.
- Regional arrangements for safeguarding a) children and b) adults at risk are in place. The regional safeguarding boards set priorities and actions regionally, e.g. training and policies & procedures. This includes, for example, working in partnership with North Wales Police on such issues as County Lines.
- Risk assessments in place for recruiting staff who require a DBS check and/or references and this is monitored and scrutinised by the Corporate Safeguarding Panel.
- Safeguarding policy review has taken place with Schools and new guidance has been developed
- Key posts within the Council that could have an impact on safeguarding have been identified and Heads of Service are reviewing the posts to ensure that adequate checks are undertaken by the Council or and external body. All new employee contracts make reference to safeguarding.
- Corporate Safeguarding Panel has been reviewed including the terms of reference, roles and responsibilities.

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- Heads of Service have been asked to ensure they consider safeguarding when reviewing their risk registers and that safeguarding be included in service challenge where appropriate.
- Briefing sessions on safeguarding and Child Sexual Exploitation have been delivered to County Council. Safeguarding features in three Cabinet Members' portfolios.
- Improvements have been made to safeguarding arrangements with contractors including (i) DBS contract checks, (ii) ensuring that Council staff responsible on site for the contractor and managing the tendering / contract process are clear of their responsibilities in respect of safeguarding, (iii) ensuring contracts terms and conditions (including JCT) in relation to DBS checks are appropriate, (iv) ensuring that self-assessment arrangements as part of contract management are appropriate.
- Safeguarding e-learning module in place and compliance is monitored and scrutinised by the Corporate Safeguarding Panel.
- Recording and sharing safeguarding incidents and near misses is a standing item of the Corporate Safeguarding Panel. It also shares case reviews where there is a corporate perspective for lessons learned. Service representatives are responsible for reporting any key messages from panel meetings to members of staff within their services.
- Adoption of new Wales Safeguarding Procedures.

Relevant indicators of the effectiveness of controls:

- SHR102m: The percentage of eligible staff that have an up-to-date DBS (DCC)
- SHR103m: The percentage of eligible staff that have an up-to-date reference check or risk assessment (DCC)
- SHR104m: The percentage of eligible staff that have an up-to-date DBS (schools)
- SHR105m: The percentage of eligible staff that have an up-to-date reference check or risk assessment (schools)
- LHRD47i: Percentage of employees that have completed all 9 mandatory e-learning modules by the end of the year

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Assurance:

- A follow up inspection “Assurance Check” was undertaken in Denbighshire by the Care Inspectorate Wales between June and July 2021. We have received a draft letter outlining their findings, in which they highlight improvements in safeguarding as well as some areas for further development.
- The North Wales Safeguarding Children Board Local Delivery Group, developed by Denbighshire, has been recognised as good practice.

Residual Risk

D2 – Major Risk: Unlikely / High Impact

Is our risk exposure (based on the score) consistent with the council’s Risk Appetite?

Major risk. Risk Appetite suggests that this should be at most a minor risk. The Risk Owner has confirmed that they are comfortable that the scoring accurately reflects the current risk to the council.

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Risk 06: The risk that the economic and financial environment worsens beyond current expectations, leading to additional demand on services and reduced income.

Lead Member(s): Councillor Julian Thompson-Hill

Risk Owner: Steve Gadd

February update:

The description, impact and controls sections have been updated. We have included a list of indicators that can be used to demonstrate the effectiveness of controls, together with any recent or planned internal or external assurance.

The further action to “Ensure the agreed “Budget Process: 2022/23 and beyond” strategy is delivered” has been closed and replaced with “Gain approval the medium term capital strategy”.

This risk includes some information from the Brexit risk register, which is now closed (specifically, “The risk that there will be short term supply issues with essential resources resulting in short term pressure, interruption or loss of certain services, such as school / care meals and PPE provision (Council Risk)”).

The risk score has not changed.

Description

The Draft Local Government Settlement for 2022/23 was received by the council on 21st December and resulted in a positive settlement of 9.2%, compared to the Welsh average of 9.4%. The Final Settlement is expected in March 2022 but Welsh Government (WG) have indicated that there should be very few changes. Within the announced figure Welsh Government have advised that there are a number of new responsibilities, not all of which have clear funding consequential within the data. Those expectations that we are required to fund include the following:

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- All pay increases for both teaching and non-teaching posts are included within the
- RSG.
- The responsibility to pay both our own Social Care and the private sector Social
- Care sector the Real Living Wage.
- The core operational costs in connection with the new Corporate Joint Committee.
- Mitigation for the fact that the Covid Hardship Fund will cease as from the end of the existing financial year.

As promised by WG the draft settlement includes indicative average settlement increases of 3.5% for 2023/24 and 2.4% for 2024/25 (estimated DCC figures would 3.3% and 2.2%). Although this is very welcome from a planning perspective it does indicate that difficult decisions will be required over the coming years. More information is available from our [report to Council in January 2022](#).

The Section 151 Officer is responsible for producing a balanced budget.

There are significant pressures associated with social care, waste budgets, benefits, the supply of goods and services in the supply chain (and the impact on our capital plan) and inflationary increases in pay and pensions. Supply of goods and services include:

- Labour shortages and vacancies across sectors leading to delays
- Fuel costs, commodity (including food) supply and price increases (including in transport and freight, and in relation to supply of goods)

According to the Local Government EU Advisory Panel, which last met in January 2022, business operations are trying to adapt to the new situation and will probably face changes for the foreseeable future.

These pressures are all monitored closely and regularly by senior managers, including the Section 151 Officer.

The Council is facing a significant in-year financial pressure due to Covid-19, having incurred financial costs and lost income. Income lost is unlikely to be reimbursed and future financial settlements will also be affected. Our risk to income because of Covid-19 is

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an ongoing risk over the next year. We are anticipating reduced levels of income for the next 12 months and possibly beyond. This affects a number of income generation initiatives across the Council. The Council is likely to face income losses that could be in excess of £2million.

What is more, increases to the cost of living is becoming an increasing risk to the council, whereby our capacity to support people struggling with the cost of living may be limited or people may make decisions about how they allocate their household budget, prioritising rent or mortgage over council tax, for example.

Anticipated direction of travel:

We have some control around the impact of this risk but not the likelihood of it occurring. This year's settlement is anticipated to be acceptable but this is not likely to be the case over the next three years. There is, therefore, a possibility that this risk become more severe or will become an issue. However, the recent economic sanctions imposed on Russia are likely to add further tension to the global economy. We will continue to assess our controls to ensure they are operating as they should be.

Impact / Consequences

- The council suffers from a significant reduction in income, leading to an inability to deliver current levels of service provision.
- The council experiences increased costs.
- The council's ambition and the scope of projects and programmes are curtailed due to increased costs.
- Increases in cost of living leads to reduced income for the council, eg reduced council tax.

Inherent Risk

B1 – Critical Risk: Likely / Very High Impact

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Controls to Manage Risk (in place)

The council has no control over the global economy or the WG settlement. Therefore, the inherent risk score likely to remain high.

Critical controls (newest first):

- Our level of financial reserves are kept at a sensible level so that shocks to economy can be dealt with.
- The collaborative approach to partnership working and sharing lessons learned during the Covid-19 pandemic (with Welsh Government and the Welsh Local Government Association) has been mutually beneficial and we hope that this same approach could be established should we experience further economic shocks in the future. Working collaboratively, pan Wales, has been an effective way to develop solutions.
- The Section 151 Officer reports regularly to the Budget Board. We are proposing to review the capital contingency budget, and hope to secure approval from the Budget Board with the next few months.
- A new three to five-year budget process has been agreed by Council. It aims to capture 'small' scale budget flaws (under £100k), identify key strategic budget pressures (over £100k) and aims to ensure a full picture of pressures can be considered in a timely manner and are managed more closely. It is hoped this new approach will identify pressures in services as well areas needing investment. It also aims to identify bigger projects that make savings over the period of three to five years, to minimise the savings target. The new process also sets a communication and engagement plan with a range of stakeholders, which as seen as critical to a successful budget setting process going forward.
- We try to reduce the likelihood of this risk occurring, where we can, for example through individual, regional, national lobbying and through other meetings/fora.
- Annual, detailed budget setting process that considers economic environment
- The Medium Term Financial Plan (MTFP) contains different scenarios to ensure it can deal with changes in the external environment, and is considered on a quarterly

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basis: it has revised its expectations further downwards. Also considered in annual budgets and a range of proposals could be implemented should cuts be incurred.

- A robust budget-setting process raises awareness of implications of significantly reduced income due to the economic environment. It also identifies a range of proposals should cuts be incurred.
- WLGA issued a statement stating that school and care meals are a priority issue for WG, and Denbighshire catering team is monitoring the situation with national body's support. A 5p price increase to school meals will be introduced in April 2022.
- Regular (usually monthly) financial planning meetings between services and management accountants are in place.
- Services routinely monitor supply issues and cost increases.
- The Procurement Team supports services to ensure value for money and explore collaborative procurement where that may be a possibility.
- Service's budgets and budget proposals are scrutinised by the Lead Member for Finance and the Head of Service during budget-setting talks.
- Establishment of the Budget Board.

Ancillary controls (*newest first*):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- We provide clear communications around financial challenges and the budget process to Members and we try to ensure our residents are informed about how the council is funded and spends its funds.

Relevant indicators of the effectiveness of controls: The Head of Finance and Property's service plan includes key performance indicators that are associated with effective management of this risk and he provides a monthly budget report to Cabinet.

- FAH201m The % of required efficiency savings identified for next year (Quarterly)
- FAH202m The % of required efficiency savings achieved for this year (Quarterly)

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- Council reserves (£k)

Assurance:

- Risk Management Internal Audit Review 2021
- Capital Management Internal Audit Review 2021
- High level coverage in Project Management Internal Audit Reviews
- Audit Wales – Financial Sustainability Assessment 2020-21

Residual Risk

B2 – Critical Risk: Likely / High Impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Critical risk. Risk Appetite suggests that this should be at most a moderate risk. The Risk Owner has confirmed that they are comfortable that the scoring accurately reflects the current risk to the council.

Further Actions

- 1. Gain approval the medium term capital strategy**
- 2. Action Due Date: 31/08/2022**

Person Responsible: Steve Gadd

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Risk 11: The risk of an ineffective response to a serious event, such as severe weather, contamination, public safety, cyber-attack, or a public health event (such as Covid-19).

Lead Member(s): Cllr Richard Mainon

Risk Owner: Graham Boase

February update:

Cyber-attack has been given more prominence in the risk title, description and in our new list of indicators of the effectiveness of our controls. This also reflects recent developments associated with the war in Ukraine.

The risk score has not changed.

Description

Serious unexpected events can occur at any time.

Services plan for the impact of expected seasonal variations in weather, but severe weather events, including wild fires as has recently been experienced, can impact on public safety and service delivery.

Similarly, we put plans in place to monitor food, water and air quality, but any contaminations can impact on service delivery, as would any viral pandemics.

Cyber-attacks can affect our ability to provide services electronically, putting our business continuity plans to the test, and the same applies to major IT service failures. The risk of cyber-attack has very recently increased due to war in Ukraine, with increased potential for infiltration resulting in destabilisation. Across the UK, we are on a heightened level of alert in relation to cyber-attack. On March 1, 2022, the National Cyber Security Centre – part of GCHQ – has called on all UK-based organisations to bolster their online defences. It has said: “While the NCSC is not aware of any current specific threats to UK organisations in

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relation to events in and around Ukraine, there has been an historical pattern of cyber attacks on Ukraine with international consequences.”

Public health events, such as Covid-19, puts terrific strain on organisations such as ours, impacting on service delivery, project timescales, staff capacity, and of course finances. It also challenges the resource capacity of partners and providers that we work with.

Our approach to this risk is to avoid the risk or minimise the impact of the risk should it occur in the first instance, and this is supported through, for example, adherence to Public Sector IT standards, or flooding management schemes.

Anticipated direction of travel:

We expect this to be a static risk that consistently features in our corporate risk register. This ensures continued close management at the most senior operational, corporate and political levels of the council. We do not anticipate changes to the risk score nor to our risk appetite. We will, however, closely monitor this risk in relation to events in the Ukraine, together with our usual approach to managing severe weather and ongoing management of Covid-19. We will also review the risk once the new emergency planning response review is complete.

Impact / Consequences

- Significant disruption to core services.
- Serious injury or fatality due to road network closure, poisoning or infection.
- Reputational risk to the council if unable to deal with issues.
- Inability to deliver front line services (as a result of staff shortages for example).
- Temporary loss of data.
- Significant cost pressures to our budget.

Inherent Risk

A2 – Critical Risk: Almost Certain / High Impact

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Controls to Manage Risk (in place)

Critical controls (newest first):

- We undertake regular reviews to ensure ICT systems are secure, including making updates to our Firewall.
- ICT receives time critical updates from central bodies such as the National Cyber Security Centre.
- We work to strict public sector ICT standards and have Service business continuity plans in place.
- A report with a proposal to review our emergency planning response structure/processes was considered by the Strategic Emergency Management Team and SLT in September 2021.
- Covid-19 Control: SEMT met on a regular basis and responded to the initial Covid-19 emergency. It has agreed a number of Covid-19 recovery themes, which sit within a single table with short term and long term updates, for which members of SLT are leading. These are monitored regularly at SLT and have political input by Lead Member and Cabinet. Covid-19 strategic management controls are beginning to step down and relax.
- A report went to SLT in the Autumn 2021 to review lessons learned from our response to Covid-19, from an emergency planning perspective.
- The control environment in this area is the Regional Emergency Planning Service (Wrexham, Flintshire, Denbighshire, Conwy, Gwynedd and Anglesey), and local emergency management response groups have been established. There is significant partnership working with a regional emergency planning team coordinating plans and responses across North Wales.
- We also continually review our procedures for winter highways maintenance and flood response. Secondary rota established and operational.
- Service disruption is minimised through our arrangements for business continuity and emergency planning, with separate Directors responsible for Response and Recovery.
- There's an emergency on-call rota in place.
- Vulnerable people mapping tool is in operation.

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- Planning and Public Protection has plans in place to manage responses to pandemics such as bird flu or foot and mouth for instance, with a focus on how we will work with partners in such times.
- The Corporate Director: Economy and Public Realm chairs quarterly meetings of all the chairs of various response groups in emergency planning and is also attended by regional emergency planning representatives. The purpose of this group includes to provide assurance that systems are in place and to test procedures.
- We have set up a WhatsApp Business Continuity communication network, which has been tested in an internal council Business Continuity exercise (April 2019).

Ancillary controls (*newest first*):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- An annual Emergency Planning Response report is taken to SLT, the Lead Member and Partnerships Scrutiny, as requested, every year.
- New chairs for the Communications and Operational Response Groups have strengthened arrangements.
- Gold & Silver training in place for new representatives.
- Deputies for Chairs of response teams appointed.
- Trial business continuity exercise took place in the council in October 2017. Overall the exercise was successful.

Relevant indicators of the effectiveness of controls:

- FINPROPHS1001: RIDDOR accident rate (National measure – No. of RIDDOR x 100,000 / No. of FTE employees)
- BIM208i: Denbighshire County Council achieves Public Services Network (PSN) security Standard compliance (0 = pass; 1 = fail)

Qualitative indicators:

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- Production, and where needed implementation of, Service business continuity plans
- Establishment, uptake and effectiveness of emergency rest centres.

(Please note: some of these indicators are only measured should a serious event occur)

Residual Risk

C3 – Moderate Risk: Possible / Medium Impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Yes

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Risk 12: The risk of a significantly negative report(s) from external regulators.

Lead Member(s): Councillor Hugh Evans

Risk Owner: Nicola Stubbins

February update:

The description has been updated with information about a recent assurance check. The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The risk score has not changed.

Description

Negative reports from regulators could lead to a range of impacts that could be negative for Denbighshire County Council. The council is committed, however, to responding to reports and working with partners, including external regulators, to addressing any concerns that may arise.

Our relationships with external regulators are very important. We need mutual confidence in our relationships to ensure the best possible outcomes in terms of service improvement and shared learning. We ensure we alert external regulators to issues that may be becoming problematic early on, and we work closely with them on programmes of work to share learning more widely.

Most recently, a follow up inspection “Assurance Check” was undertaken in Denbighshire by the Care Inspectorate Wales between June and July 2021. We have received a draft letter outlining their findings, in which they highlight improvements in safeguarding as well as some areas for further development. The interim management arrangements in Education and Children’s Services was noted as an issue, which has since been settled. However, we now have two interim head of service leads in Community Support Service.

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The Council is aware of the need for stable and consistent management and it is being managed closely.

A paper about a recent Audit Wales report about commissioning older people's care homes will be presented to Governance and Audit Committee shortly. This is a national review with review of regional arrangements, including in North Wales.

Anticipated direction of travel:

The score has been considered in relation to current performance and is felt to be accurate. The current position is generally positive. We expect this to be a static risk, but one that will continue to be reviewed regularly to ensure all necessary controls are effective and operating as they should be.

Impact / Consequences

- A wider lack of confidence in council services.
- Reputational damage.
- Potential intervention by the WG.
- Significant resources may be required to be diverted to deliver immediate and substantial change.

Inherent Risk

C2 – Major Risk: Possible / High Impact

Controls to Manage Risk (in place)

Regulation we are subject to includes: CIW (Care Inspectorate Wales); WAO Office; Estyn; HSE (Health & Safety Executive); ICO (Information Commissioner's Office).

Critical controls:

- Relationship management and ongoing communication with external regulators.
- The corporate performance management framework (PMF) is the main control in this area.

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- Head of Business Improvement & Modernisation, Strategic Planning Team Manager and Head of Audit meet monthly with Wales Audit Office to understand and respond to their concerns.
- Regulators sit on Service Performance Challenges.
- Protocol developed for addressing recommendations from WAO national studies: services' response will be the subject of performance scrutiny and service challenge.

Ancillary controls (newest first):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- Annual Governance Statement and Performance Self-Assessment are aligned.

Relevant indicator of the effectiveness of controls:

- CH012i: The number of negative reports from external regulators

Assurance:

- Internal Audit reviews forward work programme
- External regulatory bodies. For example, CIW monitor progress through routine performance review activities and through a CIW local authority risk based approach to inspection planning.

Residual Risk

D3 – Moderate Risk: Unlikely / Medium Impact

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Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Yes

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Risk 13: The risk of significant liabilities resulting from alternative models of service delivery

Lead Member(s): Councillor Julian Thompson-Hill

Risk Owner: Steve Gadd

February update:

The description and controls have been updated. As for other risks, indicators of the effectiveness of controls are specified and these relate to the small number of ASDMs that are currently in place.

The risk score has not changed.

Description

We have a small number of ASDMs in place currently, for example revenues and benefits and leisure.

Liabilities could arise due to financial, HR, safeguarding, or governance problems and could impact on the sustainability of service provision.

This risk has been impacted by Covid-19 but Welsh Government has covered the significant loss of income. In particular, our leisure ASDM (Alternative Service Delivery Model) will have to operate within continued restrictions.

Welsh Government has funded losses incurred during 2021 and 2022. The income loss would have occurred regardless of the establishment of the ASDM.

Anticipated direction of travel:

Any income losses have been covered by the Covid-19 grant from Welsh Government form 2021 and 2022 but the hardship fund finishes in March 2022. The risk will continue to be monitored.

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Impact / Consequences

- Financial liabilities.
- Property Liabilities.
- Reduction in levels / quality of service provided to the community, or increased revenue costs to continue delivery.
- Collapse of company
- Reputation damage to the council
- Safeguarding to include protection of all assets (physical & intellectual Information)

Inherent Risk

B2 – Critical Risk: Likely / High Impact

Controls to Manage Risk (in place)

Critical controls (newest first):

- The contract management framework that is being developed will distinguish between the types of contract and the management arrangements that are needed.
- The framework will support officers to evaluate the risk of the contract to ensure effective monitoring and management is in place. CET has requested to look at contract management in more detail.
- We do have a contingency budget, should we need it.
- There is robust project governance in place for Civica (managed as a project using Verto) and plans to bring the service back into house, which would also achieve some savings, have been approved in principle by Cabinet.
- Covid-19: Financial support and/or subsidies are being provided by Welsh Government.
- A rigorous process is in place to ensure appropriate governance arrangements are in place as ASDMs are established.
- Effective contract management arrangements are in place and appropriate monitoring is carried out throughout the life of the contract, including to ensure

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compliance with current legislation and approved accredited standards as appropriate.

- Council is entitled to representation on Boards, and Heads of Service providing strategic advice to facilities.
- Intervention measures are exercised by the council if relationships with arm's length organisations are difficult to manage.
- Resources have been committed to improve financial monitoring of facilities and services
- Register of all ASDMs
- Processes are in place to manage relationships between the council and Arm's Length organisations.

Ancillary controls (newest first):

- Monthly operational board meetings.
- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- [ASDM Toolkit is available on our website](#)
- Heads of Service advise the council on any emerging issues and risks.
- Ensure best practice / lessons learned is applied to our robust contract and relationship management of ADM models.

Relevant indicators of the effectiveness of controls:

- FIN309a Ensuring best value and effective monitoring of the contract with Civica through the Strategic and Operational Boards meetings
- FIN310a Ensuring best value and effective monitoring of the contract with Citizens Advice Denbighshire through the Strategic and Operational Boards meetings
- FIN318a Ensuring efficient monitoring of the contract with Denbighshire Leisure Ltd, effective monitoring of the contract, ensuring financial sustainability

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- BIM208m The number of incidents of ICT procurement NOT going through the ICT Service

Residual Risk

C2 – Major Risk: Possible / High Impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Critical risk. Risk Appetite suggests that this should be at most a moderate risk. The Risk Owner has confirmed that they are comfortable that the scoring accurately reflects the current risk to the council.

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Risk 14: The risk of a health & safety incident resulting in serious injury or the loss of life. (Where H&S is referred to, this incorporates fire safety)

Lead Member(s): Councillor Julian Thompson-Hill

Risk Owner: Steve Gadd

February update:

As for other risks, indicators of the effectiveness of controls are specified.

The risk score has been downgraded from D2 - Major Risk: Unlikely / High Impact to E2 – Moderate Risk: Rare / High Impact and the risk is now within our risk appetite.

Description

This could be as a result of unsafe acts, unsafe work places or ineffective H&S management.

Anticipated direction of travel:

This impact of this risk has been heightened as a consequence of risks associated with Covid-19. In our February 2021 review, the Council upgraded the residual risk score from E2 – Moderate Risk: Rare / High impact to D2 - Major Risk: Unlikely / High Impact. The risk has been reviewed as is considered to be static. We have good controls in place to mitigate the risk and whilst at present, this risk is considered 'Major', and is beyond our risk appetite, it is anticipated that the score will reduce as community transmission of Covid-19 lessens.

Impact / Consequences

- Serious injury or death of an employee and/or any other person.
- Significant reputational damage
- Substantial legal/litigation costs.

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- Criminal prosecution of staff or the organisation.

Inherent Risk

C2 – Major Risk: Possible / High Impact

Controls to Manage Risk (in place)

Critical controls (newest first):

- A Covid-19 buildings recovery theme (excluding schools and housing stock) has put measures in place to ensure workplaces are safe to work in. Covid-19 risk assessments and safe working practices have been developed for our workplaces. These apply to the three main offices and ancillary offices across Denbighshire. Wherever possible, staff are working from home and particular guidance is in place for staff who have been advised to “shield”. Guidance for staff or family members who are displaying Covid-19 symptoms is in accordance with the latest government advice. Where staff are required to attend the office workplace, social distancing of 2m (6ft) should be adhered to at all times, including breaks. Offices have one-way systems, signage on toilets to ensure one person can use facilities at any one time, sanitising stations and ‘high risk’ areas like clocking stations are out of use. Detailed guidance is available for all staff.
- All schools have carried out Covid-19 risk assessments and have operational plans in place which are regularly reviewed to remain in line with WG guidance.
- Strategic leadership is provided by the Head of Finance & Property, with delegated responsibility for Health and Safety.
- Competent H&S advisors are employed by the organisation to provide support, guidance and training on H&S.
- A Corporate Health and Safety Policy is in place, which defines the H&S organisation and arrangements in the council.
- There is an established H&S Management System in place.
- H&S training program focussed on council activities and the way we manage H&S.
- “Managing safely in Denbighshire” training is mandatory for all managers.

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- The corporate H&S team carry out a program of targeted monitoring
- An online accident, incident reporting process is in place. There is an expectation that all accidents and incidents are reported

Ancillary controls (newest first):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- An established Corporate H&S Committee is in place which is a forum for the employer and employee representatives to discuss and consult on H&S.
- A number of service level H&S committees meet to provide a forum for service managers and employee representatives to discuss and consult on H&S.
- Significant H&S related accidents, incidents and near misses are investigated internally
- Schools have effective health and safety practices. However, schools are reliant on families to follow Welsh Government and school guidance. Schools have had to close as part of wider efforts to reduce community transmission and keep communities safe. There is a wealth of guidance held on a bespoke SharePoint. There are weekly meetings with Education managers. There are safeguarding processes to check the safety and well-being of learners who are not engaging with school.

Relevant indicators of the effectiveness of controls:

- FINPROPHS1001 RIDDOR accident rate (National measure – No. of RIDDOR x 100,000 / No. of FTE employees)
- FAH119m The percentage of properties with a valid Fire Risk Assessment
- FAH123m The percentage of properties with asbestos where a re-inspection has been carried out in line with the asbestos management plan

Corporate Risk Register (February 2022)

Residual Risk

E2 – Moderate Risk: Rare / High Impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Yes. Risk Appetite suggests that this should be at most a cautious risk.

Corporate Risk Register (February 2022)

Risk 18: The risk that programme and project benefits are not fully realised.

Lead Member(s): Cllr Julian Thompson-Hill

Risk Owner: Graham Boase

February update:

The impact and consequences section has been updated to reflect the impact the increasingly turbulent economic environment could have on our ability to deliver programmes and projects to scope and within budget (linked to risk 06).

We have completed our 2017 to 2022 corporate plan and are currently developing a new plan.

Controls have been updated, together with the indicators section.

The risk score has increased from C2 - Major Risk: Possible / High Impact to B2 - Critical Risk: Likely / High Impact, to reflect the economic challenges we are facing. The risk is no longer within our risk appetite.

Description

This risk touches on elements of other risks in our corporate risk register. But specifically, in relation to benefits realisation, there is a real risk of lack of capacity or focus that could result in us not delivering our commitments, partly or wholly. There are reputational and financial consequences, especially where significant funding is coming from Welsh and UK governments, that could affect their confidence in us in the future.

The council currently does not consistently deliver all benefits from projects. Some of the issues include: inconsistent management; resistance to change; staff behaviour and processes not changing as planned. Programmes to be mindful of include: Corporate Plan Board, Corporate Support Services Review (CSSR), Budget Board, Climate and Ecological Change Programme, the regional Growth Deal.

Corporate Risk Register (February 2022)

A number of programmes and projects have been, or are still, facing delays as a result of Covid-19. Most recently, price inflation in the costs of materials is impacting on ability to deliver our capital projects. Welsh Government has recently said:

“In order to assess the materials cost increases the cost parameter we are now working to is the ONS Index for Materials and Components as at 1/9/2021. This will provide an upper limit for agreed cost increases. The index states that overall materials costs have increased by 22% compared to a year ago and this is the upper limit we will use.”

There are a range of Welsh Government and UK Government funding streams for some of our programmes and projects (eg 21st Century Schools, UK Levelling Up Fund), and expectations around delivery are extremely high.

This risk encompasses risks associated with the council making changes that result in a greater negative impact than we anticipated (formerly risk 00028). When deciding where to make changes, we endeavour to ensure the quality of key services. There is a risk that we haven't identified the correct services as being 'key', and/or that the changes we make are more disruptive than we anticipated.

Anticipated direction of travel:

The risk has been heightened to reflect the range of new externally funded programmes we are delivering, or will soon be delivering, together with increasing costs associated with construction projects in particular. The risk is no longer within our (open) risk appetite and we do not expect it to decrease in the short term.

Impact / Consequences

The forecast changes that were alluded to in business cases do not materialise and, hence, neither do their benefits.

In relation to programmes or projects having a greater positive or negative impact than anticipated could result in the following impacts:

Corporate Risk Register (February 2022)

- The council's ambition and the scope of projects and programmes are curtailed due to increased costs.
- Services that are important for our residents are no longer available
- Performance in important areas of our business (for our residents) deteriorates
- Reinstatement/correction in performance is difficult and slow to achieve
- Reputation can suffer if performance deteriorates
- Reputation can suffer if messages are not managed
- The impact of not fulfilling our programmes and realising benefits could result in poor social, cultural, economic and environmental outcomes.
- Financial liabilities
- Regulatory liabilities
- Deteriorating staff morale
- Inability to meet statutory obligations
- Disproportionate return on investment.
- Failure to maximise opportunities for the benefit of communities and businesses in Denbighshire.
- Failure to agree a regional approach to funding projects.

Importantly, as resources have reduced, there is less capacity to additionally respond to new, emerging and unplanned issues of importance to residents, councillors or partners.

Inherent Risk

B2 – Critical Risk: Likely / High Impact

Controls to Manage Risk (in place)

Critical controls (newest first):

- More robust challenge is being directed at project sponsors around costs, contingency allocation and optimism biases; through CET, programme or project boards, at Cabinet, the Strategic Investment Group and through other committees.

Corporate Risk Register (February 2022)

- Programmes and projects are developed within robust management and governance systems. Corporate Project register goes to CET on a quarterly basis and provides information about the status of projects.
- We have a new capital strategy to help us plan over a longer term for capital projects and how we commit capital funding. The new process also sets a communication and engagement plan with a range of stakeholders, which as seen as critical to a successful budget setting process going forward.
- We ensure we have senior-level representation at board meetings. The North Wales Economic Ambition Board is attended by Denbighshire's Leader. Director-level representation is in place for the officer groups that support the Board and relevant key officers are represented on work stream meetings.
- Corporate Programme Office in place.
- Leadership Strategy in place.
- Strategic Planning team will support the Corporate Plan Board, and also support performance management in the organisation, therefore there's a strong alignment between 'change' and BAU.
- Impact assessments are undertaken and form part of the cover report for decisions.
- Risk are considered and form part of the cover report for decisions.
- Use of Verto to record benefit tracking and significant outcomes from projects will be picked up as part of Service Planning process.
- Finance remove savings from budgets to ensure financial savings are delivered.
- Quarterly Performance Reports on the Corporate Plan are sent to SLT, Cabinet and Scrutiny.
- SLT reviews key projects every three months.
- Programme Board members have attended Programme Management training.
- Lead Member for Finance, Performance & Strategic Assets now chairs the Corporate Plan Board, also sitting on the Budget Board. Their involvement in both boards ensures a coherent approach to our programmes and financial planning.
- The Corporate Plan has been reviewed at tranche and end of delivery reviews.
- The content of the Corporate Plan was developed and agreed with officers and Members at the start of the new council year. This document should capture the ambition of Elected Members for their term of office.

Corporate Risk Register (February 2022)

- The development of the new Corporate Plan will be an opportunity for residents, businesses, councillors and partners to consider what to prioritise for the next five years, and to put in place ambitious but deliverable plans.
- Heads of Service assume responsibility for the implementation of new legislation, supported by the Strategic Planning Team where appropriate.

Ancillary controls (newest first):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- As a result of lessons learned previously, Corporate Plan Programme Boards have had a standing agenda item about communications and proactive communications management.
- Communications and stakeholder management are core parts of project briefs, businesses cases and project/programme management.
- The council partakes in government consultations on new legislation (either directly or through the WLGA).

Relevant indicators of the effectiveness of controls:

- CH008i No. of projects on the project register showing as 'compromised'
- PRCORP The percentage of Council projects whose delivery confidence was updated no more than six weeks ago (Corporate Project Register)

Residual Risk

B2 - Critical Risk: Likely / High Impact

Corporate Risk Register (February 2022)

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Critical risk. Our risk appetite statement says that at most, this risk should be a major risk at most. The Risk Owner has confirmed that they are comfortable that the scoring accurately reflects the current risk to the council.

Further Actions

- 1. Ensure all of SLT have access to necessary training to support them in their roles as sponsors and to manage interdependencies**

Action Due Date: 31/03/2023

Person Responsible: Graham Boase

Corporate Risk Register (February 2022)

Risk 21: The risk that effective partnerships and interfaces between BCU Health Board and Denbighshire County Council (DCC) do not develop, leading to significant misalignment between the strategic and operational direction of BCU and DCC

Lead Member(s): Councillor Bobby Feeley

Risk Owner: Nicola Stubbins

February update:

The description has been updated with information about the restructure of BCUHB. The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The risk score has not changed.

Description

Integrated social care and health services and delivering on the [Social Services and Well-being \(Wales\) Act 2014](#) is a fundamental part of our partnership with the health board and more widely, across North Wales, through the Regional Partnership Board and the North Wales Social Care and Well-being Improvement Collaborative.

Whilst BCUHB is no longer in special measures, health at a local level, and the effectiveness of health and social care working together, is subject to increased political and regulatory scrutiny. This requires a level of scrutiny and a strong commitment to partnership. There is a national agenda to drive effective partnership working.

Relationship management and communication is critical to successful mitigation.

Corporate Risk Register (February 2022)

A BCUHB 'Stronger Together' restructure is planned. An internal BCUHB consultation document was shared with Denbighshire County Council. There are some significant changes proposed to the structure of the Board, which will have a direct impact on the relationship with the council.

The proposal currently sets out a new structure that, for the central area, will comprise of acute, community and primary care. There is a risk that the community agenda will be overshadowed by acute care. The approach of BCUHB in respect of regional collaboration (eg the Regional Partnership Board) is currently unclear. The area's new Director lead within BCUHB will be a clinician (this role has never required a clinician as a prerequisite), and we will strive to develop a new working relationship within them as they implement the new structure, once it is approved. There are opportunities, but we have concerns about the timeliness of decision making in the intervening period.

A restructure of Denbighshire County Council is also being planned but it is too early to say what that will mean for this risk. Our Corporate Director remains the main interface for this risk.

Anticipated direction of travel:

The longer term impact of Covid-19 is becoming apparent but is by no means fully understood. The catch up required in routine/planned treatment, exacerbated health inequalities and hidden harms (due to not having treatment, mental health impact of Covid-19), all create a potential for challenge in the system, and therefore the relationship, and could affect delivery of integrated social care and health services in Denbighshire. The funding arrangements with Welsh Government create an ongoing friction.

The partnership arrangements and relationships we have built means there is enough interface and opportunity to deal with issues before they become significant problems.

However, there is a possibility that this risk could increase in terms of both likelihood and impact (and sit further beyond our risk appetite) - certainly before and during the proposed restructure - should our controls be ineffective.

Corporate Risk Register (February 2022)

Impact / Consequences

- Inefficient services
- Gaps in service provision
- Delays/failure to deliver joint projects
- Reputational damage
- Ability to meet statutory duties - Well-being of Future Generations Bill, Social Services and Well-being Act

Inherent Risk

A1 – Critical Risk: Almost certain / Very high impact

Controls to Manage Risk (in place)

Critical controls:

- BCUHB is engaging and consulting all councils in the region on their proposals, and councils are working together to consider their response to these proposals.
- The Regional Partnership Board and the North Wales Social Care and Well-being Improvement Collaborative have reviewed needs in relation to social care and health services as part of our population needs assessment (Social Services and Well-being (Wales) Act 2014).
- Until the restructure is implemented, the Central Area Integrated Services Board is in place and a BCUHB Area Director in place.
- Two Community Resource Teams have been established.
- The Regional Partnership Board is in place to progress cooperation and integration.
- BCUHB is a member of the Conwy/Denbighshire PSB, which has shared priorities and a shared governance vision.

Ancillary controls (newest first):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications

Corporate Risk Register (February 2022)

Team manage media and public relations and internal communications on the matter.

- NWSIC has reviewed its governance arrangements in partnership with BCUHB.

Relevant indicators of the effectiveness of controls:

- An indicator that could be a measure of the effectiveness of controls is currently under review by Welsh Government (there are some data accuracy issues associated with it): QSCA001 The rate of delayed transfers of care for social care reasons per 1000 population aged 75 or over.

Qualitative indicators that describe what effective management/partnerships looks and feels like may be more appropriate in this instance. Such as, governance (eg Regional Partnership Board) and service level agreements, Memorandums of Understanding.

Assurance:

- Audit Wales has examined Regional Partnership Boards' commissioning of older people's care homes recently and a report will be presented to Governance and Audit Committee shortly.

Residual Risk

C2 – Major Risk: Possible / High Impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Major risk. Risk Appetite suggests that this should be at most a moderate risk. The Risk Owner has confirmed that they are comfortable that the scoring accurately reflects the current risk to the council.

Corporate Risk Register (February 2022)

Risk 27: The risk that even if the settlement is as anticipated, decisions that are necessary to identify and deliver the savings programme and enable a balanced budget are not taken or implemented quickly enough

Lead Member(s): Cllr Julian Thompson-Hill

Risk Owner: Steve Gadd

February update:

The description, impact and controls sections include relevant information from the Brexit Risk Register, which is now closed.

The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The risk score has not changed.

An update on the further action is outstanding.

Description

As our financial settlement reduces, we need to identify savings and gain approval for, and deliver, plans as to where to reduce or withdraw financial resources. Even if the budget we anticipate is the settlement we receive, there is still a risk for funding our services and savings identified may not be delivered as expected or in-year demand/pressures arise.

Any plans require the approval of Council, and must be implemented in a timely manner that complies with legislation. While the budget process has been successful to date there are still substantial future savings to be made by the local authority and the political environment remains sensitive.

As decisions are becoming harder lead in times are becoming longer.

Corporate Risk Register (February 2022)

The Head of Finance and Property's service plan includes key performance indicators that are associated with effective management of this risk (for example, the percentage of savings achieved and the percentage of savings that are needed for the following year that are identified).

The investments and supply structures held by the council and its commissioned services could be placed in an uncertain position depending on the value of the pound. This is particularly of issue in the viability of some residential care homes, and the subsequent risk to the council if any of those private providers were no longer sustainable. However, Covid-19 restrictions have masked / potentially delayed the impact of Brexit on the economy.

Anticipated direction of travel:

Static risk. It will always be present on our corporate risk register because it requires close management at the most senior corporate and political levels of the council.

Impact / Consequences

- Denbighshire overspends on its budget.
- Denbighshire cannot deliver savings.
- Denbighshire has insufficient time to ensure good financial monitoring and robust planning.
- Inflation could result in the need to make greater savings.
- Stretched resources, affecting our ability to deliver on statutory functions.
- Low staff morale.
- Regulatory action, and poor reputation if unprepared.
- Reputational damage.

Inherent Risk

B1 – Critical Risk: Likely / Very High Impact

Corporate Risk Register (February 2022)

Controls to Manage Risk (in place)

Critical controls (newest first):

- A budget report is produced for Cabinet every month.
- In relation to the Brexit-related aspects to this risk (transferred from the Brexit Risk Register), we observe the fluctuations in the value of the pound; we have asked Services to continually monitor and report on Brexit-linked supply issues and cost increase and a risk is included within Finance and Property Risk Register “Unforeseen financial consequences that arise specifically due to BREXIT”
- A new three to five-year budget process has been agreed by Council. It aims to capture ‘small’ scale budget flaws (under £100k), identify key strategic budget pressures (over £100k) and aims to ensure a full picture of pressures can be considered in a timely manner and are managed more closely. It is hoped this new approach will identify pressures in services as well areas needing investment. It also aims to identify bigger projects that make savings over the period of three to five years, to minimise the savings target. The new process also sets a communication and engagement plan with a range of stakeholders, which as seen as critical to a successful budget setting process going forward.
- The budget process has been followed and discussed at a range of fora, and more meetings are planned for the autumn 2021.
- The budget setting process involves Members, so they understand that difficult decisions are necessary, and they are involved with developing the proposals. This should make them more likely to support the recommendations made.
- The better than expected settlement for 2020 to 2021 means that only savings with minimum impact on service delivery and staff have been accepted.
- The Budget Board has been established, which is likely to make some controversial suggestions that will require political support. Therefore, there may be increased risk of not achieving approval for the service changes required to deliver a balanced budget.
- Early identification of the budget gap and potential actions to address it are managed through the Budget Board and SLT.

Corporate Risk Register (February 2022)

- All of these controls are in place to ensure good financial monitoring and robust financial planning.

Ancillary control:

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.

Relevant indicators of the effectiveness of controls:

- FAH201m: The % of required efficiency savings identified for next year (Quarterly)
- FAH202m: The % of required efficiency savings achieved for this year (Quarterly)
- FAH208m: The % of budget monitoring reports completed on time

Residual Risk

C2 – Major Risk: Possible / High Impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Major risk. Risk Appetite suggests that this should be at most a moderate risk. The Risk Owner has confirmed that they are comfortable that the scoring accurately reflects the current risk to the council.

Further Actions

1. Review Strategic Investment Group (SIG) process.

Action Due Date: 31/12/2021

Person Responsible: Steve Gadd

Corporate Risk Register (February 2022)

Risk 30: The risk that Senior Leadership capacity and skills to sustain service and corporate performance is not available

Lead Member(s): Councillor Julian Thompson-Hill

Risk Owner: Graham Boase

February update:

The description and controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

Description

The current structure of the Senior Leadership Team has been built on the strength and experience of current potholders. As the number of posts at SLT has reduced there is a concentration of key roles that are critical to the successful delivery of services, and the organisation's ability to respond to policy and legislation. There is a risk that individuals with particular skill sets would be difficult to replace, and there is also a risk that the organisation is not flexible enough to keep up with the pace of change required in light of new corporate priorities and future budget pressures. There is great pressure on the Senior Leadership Team, who have been managing services remotely through the pandemic, whilst trying to manage business as usual. Currently, one heads of service posts is filled on an interim basis (Community Support Services), and another post will become vacant from March 2022. A Corporate Director post is still vacant following the previous post holder's recruitment into the Chief Executive position.

An SLT review is currently underway with the aim opt put additional capacity in the SLT structure. A full update will be available by our next formal review. See the controls section for more information.

Anticipated direction of travel:

The risk has increased, but the increase is anticipated to be temporary. The risk remains within our risk appetite and is not expected to exceed it.

Corporate Risk Register (February 2022)

Impact / Consequences

- Reputational damage.
- Declining performance.
- Poor performance against new priorities.
- Stress and poor health and well-being.

Inherent Risk

C3 – Moderate Risk: Possible / Medium Impact

Controls to Manage Risk (in place)

Critical controls (newest first):

- A proposal will be presented to Council in March 2022, requesting that a new Corporate Director role be created (phase 1), bringing the number of Corporate Directors to three. Phase 2 will commence in the Autumn 2022, looking at Heads of Service level.
- CE and Directors performance manage Heads of Service
- A training plan for management and leadership in the council going forward is being developed.
- HR have completed workforce planning with all services and a corporate workforce plan is being developed.
- Leadership Strategy is in place
- Heads of Service are tested on their succession plans through Service Challenge
- Quarterly Leadership Conferences held to develop middle managers.
- Heads of Service are encouraged to rethink their service plans against context of new corporate plan, budget decisions, and any new legislation, etc.
- The establishment of an alternative service delivery model for leisure includes within the project the need to reduce the risk of knowledge and skills loss. The senior leadership team restructure took place in September 2019.

Corporate Risk Register (February 2022)

Ancillary controls (newest first):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- Greater opportunities for Middle Managers to 'act up' to key posts in order to gain experience at a more senior level
- Additional support has been put in place through occupational health.

Relevant indicators of the effectiveness of controls:

- Number of vacant posts

Other qualitative data will be able to describe what effective capacity and skills looks and feels like when it cannot be measured.

Residual Risk

C3 – Moderate Risk: Possible / Medium

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Yes

Corporate Risk Register (February 2022)

Risk 31: The risk of fraud and corruption resulting in financial and reputational loss and possibly impacting on service delivery.

Lead Member(s): Cllr Julian Thompson-Hill

Risk Owner: Gary Williams

February update:

The description has been updated with the latest position. The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The risk score has not changed.

Description

Denbighshire County Council employs in excess of 4,000, with a significant net revenue budget in the hundreds of millions. It commissions and provides a wide range of services to individuals and households and works with a wide range of private, public and voluntary sector organisations. As with any other large organisation, the size and nature of the council's services mean that there is an ongoing risk of loss due to fraud and corruption from both internal and external sources. There is also an ongoing risk of bribery as the council provides and procures goods, works and services.

The council recognises that as well as causing financial loss, fraud is also detrimental to the provision of services, and damaging to the reputation of, and confidence in, the council and public bodies in general.

Anticipated direction of travel:

This risk is a static risk, and our aim is to maintain it as a moderate risk. We would not foresee a time when this risk would not be on the risk register. There are no performance measures currently available to quantify progress in reducing this risk.

Corporate Risk Register (February 2022)

Impact / Consequences

- Financial loss.
- Loss of reputation and confidence in the council and public bodies in general.
- Negative impact on service provision / delivery.
- Legal / compensation costs.
- Criminal prosecution.
- Negative audit / inspection reports.

Inherent Risk

C2 – Major Risk: Possible / High Impact

Controls to Manage Risk (in place)

In its policies and procedures, the council gives out the clear message that it will not tolerate any impropriety by employees, elected Members or third party organisations. It has put in place appropriate and proportionate systems to minimise this risk and these are kept under constant review, including the following:

Critical controls (newest first):

- Internal Audit has conducted a review of ethical culture. As a result, we are introducing clearer guidance about our code of conduct (for Officers) and will strengthen arrangements for declarations of conflicts and interests, including gifts and hospitality.
- The strategy for the prevention and detection of fraud corruption and bribery, which includes fraud response plan, was updated and ratified by Governance and Audit Committee in July 2021. The purpose of the Strategy and Fraud Response Plan is to provide management with a tool to ensure progress and transparency with regards to counter-fraud activities. It is designed to heighten the Council's fraud resilience and demonstrate its protection and stewardship of public funds.
- In developing this Strategy, the Council has adopted the guiding principles included in "Fighting Fraud and Corruption Locally 2020" (FFCL2020) which is the counter

Corporate Risk Register (February 2022)

fraud and corruption strategy for local government. It provides a blueprint for a coordinated response to fraud and corruption perpetrated against local authorities with the support of those at the top.

- IT systems have authorisation controls in place, which reduce the risk of fraud (remote working does not increase the risk)
- The Code of Corporate Governance
- The Code of Conduct for Elected Members
- The Employees' Code of Conduct
- Financial Regulations including Contract Procedure Rules
- The Whistleblowing Policy
- The Anti-Money Laundering Policy
- Recognition and monitoring of the risk of fraud in service risk registers
- Systems of internal control
- Recruitment processes
- Annual review by the council's Internal Audit team
- Regular internal and external review of our systems and procedures
- The risk of fraud and corruption is also managed at a service level

Ancillary controls (newest first):

- The Communications team has a close working relationship with Internal Audit and low assurance rated reports are flagged up at an early stage.
- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- Engagement with the National Fraud Initiative (NFI)
- E-learning modules on Whistleblowing and Code of conduct

Relevant indicators of the effectiveness of controls:

- LHRD11i: Number of procurement challenges

Corporate Risk Register (February 2022)

- BIM207i: The number of data protection breaches that were reported to the Information Commissioner's Office
- CH014i: Negative news stories as a percentage of all news stories about the council.
- CH013i: No. of Internal Audit low assurance reports, financial year to date

Residual Risk

E2 – Moderate Risk: Rare / High impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Yes

Corporate Risk Register (February 2022)

Risk 33: The risk that the cost of care is outstripping the council's resource

Lead Member(s): Bobby Feeley & Huw Hilditch Roberts

Risk Owner: Nicola Stubbins

February update:

The description has been updated to reflect an announcement from Welsh Government about the Real Living Wage for registered social workers. The anticipated direction of travel for the risk has been reviewed. The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The risk score has not changed.

The further action due date has been extended.

Description

The continued inflationary pressure resulting from the cost of domiciliary and residential care means the cost of care could outstrip our budget.

Covid-19 has highlighted the fragility of residential and domiciliary care. Since our last review in September 2021, Welsh Government has announced that it will fund the Real Living Wage (RLW) for registered social workers and we are currently looking at our fee-setting.

This RLW funding has been made available from April 2022 therefore the expectation is, at a minimum, that implementation of the uplift to the RLW rate of £9.90 should commence from April 2022. Whilst it is not the case that all eligible workers will receive the payment from April 2022, Welsh Government expects the funding to reach worker's pockets as quickly as possible. However, it acknowledges this will take time to implement and that year 1 will be a 'transition' year.

Corporate Risk Register (February 2022)

The council has been given an amount in the settlement but we will need to determine how we get that money to the providers and ensure that employees receive those wage increases. There are a number of complexities to implementation, and implementation will be a significant piece of work for the next few years at least.

Anticipated direction of travel:

Whilst we expect this to be a static risk that consistently features in our corporate risk register, implementation of the RLW settlement is based on calculations that may not meet the actual cost of providing the RLW. We will continue to manage this risk, and implementation of RLW funding, closely to ensure controls are working as they should be and are having the desired effect. There could be a change to the risk score as a result of the settlement to fund the RLW.

Impact / Consequences

- Overspends in Social Care place significant budget pressures on the council and could result in the scaling back or withdrawal of non-statutory services.
- The social care budget is consistently overspent by over £1million per year, which up until recently, has been mitigated somewhat by the use of reserves of £0.5million per annum towards the overspend. However, the reserves are now depleted. The annual budget process has taken into account the projected pressure in this area: £2.6million was included as a pressure for 2020 to 2021 and the Budget for 2021 to 2022 included a pressure of £2.4million. It is, however, recognised that growth in demand will also continue in future years.
- Eligible workers do not receive the RLW uplift in their pay packets.

Inherent Risk

B1 – Critical Risk: Likely / Very High Impact

Controls to Manage Risk (in place)

Demand needs to be managed in order to maintain current levels of expenditure. The following controls are currently being embedded:

Corporate Risk Register (February 2022)

Critical controls:

- Conwy's Director is leading on the RLW work for ADSS Cymru so we are well informed and engaged across the region.
- A focus on prevention and early intervention so people don't need to go into care.
- Third Sector grant programme.
- Talking Points.
- Community Navigators.
- Supporting Independence Strategy.
- Being innovative and maximising use of grant monies.
- New approach to supporting people to achieving outcomes.
- Improved partnership working with BCUHB and integrated assessment as well as managing continuing health care.
- Identification of the pressures as part of the medium term financial process.
- Our Corporate Director: Communities is a member of WG's Social Care Forum and is examining pay and conditions of social care workforce.

Ancillary controls (newest first):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- Opportunities arising from the Healthier Wales Transformation Programme.

Relevant indicators of the effectiveness of controls:

- The Budget Board and CET closely monitor budgets and what is happening at a national, regional and local level.
- Service budget variance for CSS and ECS

Corporate Risk Register (February 2022)

Residual Risk

C2 – Major Risk: Possible / High Impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Major risk. Risk Appetite suggests that this should be at most a moderate risk. The Risk Owner has confirmed that they are comfortable that the scoring accurately reflects the current risk to the council.

Further Actions

1. Development of additional extra care housing (corporate plan priority)

Block C Awel y Dyffryn is the Complex disability block of the extra care housing scheme in Denbigh (commenced 28/01/22). Commencement of the main block Awel y Dyffryn is due very soon. The project in Ruthin is delayed.

Action Due Date: 01/09/2022

Person Responsible: Ann Lloyd

Corporate Risk Register (February 2022)

Risk 34: The risk that demand for specialist care cannot be met locally

Lead Member(s): Cllr Bobby Feeley, Cllr Huw Hilditch-Roberts

Risk Owner: Nicola Stubbins

February update:

The description has been updated with the latest position. The impact/consequences section has been updated. The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The risk score has not changed. This continues to be a critical risk.

The further action includes an update on progress.

Description

Availability of some specialist adult and child places can be scarce, leading to the requirement to provide expensive services that aren't available locally. A reduction in the availability of domiciliary care provision means we are unable to provide services needed (particularly in the south of the county).

This continues to be a significant risk. We are now in a position of having had over 1000 hours of domiciliary care being handed back to the council due to staff shortages. This means people are waiting for domiciliary care agency allocation. However, there are signs are that the number of hours being handed back is reducing, but this is still being managed extremely closely.

As previously highlighted, the reasons for this situation are summarised as follows:

- **Recruitment and retention** – This is a national issue for the care sector. At the root of this are many factors, including the relatively low wages, high demands, and a sometimes perceived lack of esteem/value in the care career path. Even internally in DCC, we struggle to recruit to care work positions.

Corporate Risk Register (February 2022)

- **Increase in scale and complexity of needs** – The ageing population brings obvious additional pressures in this area. We have seen an increase in need for double-handed packages. Some individuals currently awaiting domiciliary care have also had previous agencies withdraw, due to their being unable to manage the level/complexity of need.
- **Denbighshire's rural geography** – This presents a number of challenges, including because of costs, e.g. travel time can make a rural care package much less attractive to prospective providers, and recruitment, e.g. as usually care workers covering more rural areas must be able to drive.
- **Citizens' choice** – A number of individuals currently awaiting care have been made offers that they have declined, on the basis that they are unhappy with the specific hours being offered.
- **The prevention and reablement agenda** – Enabling people to remain independent and prevent the need for residential care, prolonged hospital stays etc. as far as possible - while of course significant wellbeing goals and priorities for the council - naturally creates additional pressures on domiciliary care/interim services.

The wider consequences of the pandemic are also making this issue more challenging. There are still high rates of community transmission, with staff having to self-isolate. People are also making life changes with some leaving the sector altogether.

Anticipated direction of travel:

Currently, the risk associated with us being unable to meet the demand for specialist care locally is a critical risk, which is beyond our appetite. In the longer term, we hope to bring the risk under control and return to a 'business as usual' scenario. It is not clear how long this will take.

Impact / Consequences

- High cost
- Individuals with eligible needs unable to receive suitable domiciliary care due to lack of resources and service provision

Corporate Risk Register (February 2022)

- If far from home, there is a detrimental impact on a client's well-being (and that of their family)
- Unable to meet need in preferred language
- Staff become over-stretched
- Reputational damage.

Inherent Risk

B2 – Critical Risk: Likely / High Impact

Controls to Manage Risk (in place)

Critical controls (newest first):

These critical controls relate to action being taken to deal with the current demand and challenges for domiciliary care provision in the county:

- An update paper will be presented to Cabinet for discussion shortly.
- Implementation of Welsh Government's decision to fund the Real Living Wage (RLW) for registered social workers.
- Recruited a dedicated HR Social Care Specialist.
- A new corporate Social Care Recruitment and Retention Group has been established, chaired by our Corporate Director. The Group is initially focussed on internal recruitment and retention but it will have implications on external recruitment and retention. That Group is also reviewing our pay scales across children's and adult's social care, from entry level care right up to qualified social workers, Occupational Therapists, senior practitioners etc.
- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- We have agreed regionally to stand back up the silver health and social care Covid-19 group, to function as a response group (Omicron) not a recovery group.

Corporate Risk Register (February 2022)

- Our in-house teams (Reablement, Interim and Health & Social Care Support Workers) are covering as many outstanding care packages as possible.
- We are currently looking at how we can safely (in compliance with CIW/SCW requirements) draw on more support from other internal social care staff who do not currently deliver personal care.
- Working closely with health colleagues to manage workload and explore the potential to tap into their care applicants.
- Continue to explore alternative ways of meeting people's needs, within a strengths-based, enabling approach.
- A Community Catalyst has recently been commissioned to get micro-enterprises/micro providers off the ground in Denbighshire
- We are working with Procurement to look at contractual arrangements to respond to the exceptional circumstances.
- We are returning to discussions with other local authorities to look at opportunities for joint commissioning.
- We will continue working to ensure that carers have the support they need.
- We will be exploring possibilities to create more flexibility for residential care staff to provide some domiciliary care hours; however, it is currently not possible to create such arrangements because of Covid-19 infection control measures in care homes.
- We are looking at ways that we can try to manage the expectations of citizens/families; to continue to honour preference as much as possible, while at the same time ensuring that we are realistic about what we can provide, and that we are ultimately led by need.

Critical controls under usual circumstances include:

- Single Point of Access now fully established and proving successful in providing advice and information to individuals in order for them to access community services themselves.
- Community Led Conversations 'What Matters' project changing the way staff support individuals enabling them to take control of their own well-being and utilising other external resources where possible.

Corporate Risk Register (February 2022)

- Developing a range of staff skill mixes through workforce development in order to enable staff to work in new ways that complement the new government agenda.
- Series of meetings with providers across CSS underway to negotiate increasing fees.
- Review and re-assessment project to ensure individuals are still eligible under new criteria
- Further development of support budgets
- Regional project considering issues.
- Recommissioning domiciliary care project in progress - this includes the implementation of the new regional domiciliary care framework in Denbighshire to include patch based commissioning for difficult rural areas.
- New care team in CSS South Locality (reablers providing longer term support whilst identifying appropriate agency)
- The North Wales Transformation Programme is in place and we are leading one of the four projects.

Ancillary controls:

- Denbighshire County Council has written to the UK Government following a Notice of Motion that was put before a meeting of Full Council on 12 October 2021. The letter urges UK Government to designate, as a matter of urgency, social care workers as skilled workers, in order that they meet the entry requirements of the post-Brexit points-based immigration system introduced in January 2021.
- Recruitment fayres taken place in county to highlight the need for specific health and social care staff.
- Continue to look at the use of grant monies in creative and combined ways to deliver better solutions.
- CIW national review of domiciliary care - implementing recommendations.

Relevant indicators of the effectiveness of controls:

- Delivery of the Social Care Recruitment and Retention Group's action plan.
- Vacancies (internal and external) and recruitment activity

Corporate Risk Register (February 2022)

- Budget variance
- CSSAGGR02.1 Number of assessments of need for care and support undertaken during the year and of those, the number of assessments that led to a care and support plan

Assurance:

- CIW monitor progress through routine performance review activities and through a CIW local authority risk based approach to inspection planning.
- A follow up inspection “Assurance Check” was undertaken in Denbighshire by the Care Inspectorate Wales between June and July 2021. We have received a draft letter outlining their findings, in which they highlight improvements in safeguarding as well as some areas for further development. The interim management arrangements in Education and Children’s Services was noted as an issue, which has since been settled. However, we now have two interim head of service leads in Community Support Service. The Council is aware of the need for stable and consistent management and it is being managed closely.

Residual Risk

A2 – Critical Risk: Almost certain / High Impact

Is our risk exposure (based on the score) consistent with the council’s Risk Appetite?

Critical risk. Risk Appetite suggests that this should be at most a moderate risk. The Risk Owner, together with the Head of Community Support Services, are actively managing this risk to bring it back under control. This is a national issue though and one that is unlikely to be resolved quickly.

Corporate Risk Register (February 2022)

Further Actions

1. Develop a new Children's Assessment Centre jointly with Conwy CBC

The construction for the Assessment Centre was again put out for tender. Representatives from Denbighshire were part of the evaluation process for the received bids. Conwy County Borough Council who are leading on the project, are currently undertaking their internal processes to award the tender. Welsh Government remain support of the aims of the project.

Action Due Date: 31/07/2022

Person Responsible: Rhian Morrle

Corporate Risk Register (February 2022)

Risk 36: The risk that the economic and financial environment worsens beyond current expectations, and has a detrimental impact on local businesses and economic hardship for the local community

Lead Member(s): Councillor Hugh Evans

Risk Owner: Emlyn Jones

September update:

The risk title has been updated to reflect the economic environment generally. It has been changed from “The risk that any negative impacts of leaving the European Union cannot be mitigated by the council”, to “The risk that the economic and financial environment worsens beyond current expectations, resulting in economic hardship for, or failure of, local businesses”. This adjustment allows us to manage the risk of economic trauma and ensure controls are in place to manage the impact for local businesses in particular, whereas risk 06 focuses exclusively on the impact of economic trauma for the council, its budget and services.

The description, impact and controls sections have all been updated and include relevant information from the Brexit Risk Register, which is now closed. Given the economic turbulence globally, we will need to keep this risk under close management.

Description

The UK has now left the EU and the transition period has come to an end. The implications of the ‘light’ trade deal that was reached with the EU are not yet fully understood and are being masked by the impact of Covid-19 and the global economic turbulence. As a minimum we anticipate, short-term disruption to the trade of certain goods to and from the EU as businesses adapt to new requirements. This could have repercussions on the council in terms of purchasing goods and supplies. Supplies have been affected by Covid-19 and staff shortages in certain sectors, which is affecting costs and availability. Please note supply issues and cost implications for the council are

Corporate Risk Register (February 2022)

considered under risk 06, and the risk of recruitment and retention issues for the council is captured under risk 48.

Supply of goods and services that affect businesses include:

- Labour shortages and vacancies across sectors leading to delays
- Fuel and energy costs, commodity (including food) supply and price increases (including in transport and freight, and in relation to supply of goods)

According to the Local Government EU Advisory Panel, which last met in January 2022, there is general consensus that global supply chains will continue to be adversely affected for the foreseeable future. Issues around supply of food have escalated following events in and around Ukraine. The need for more sustainability in supply chains is evident far beyond the coronavirus pandemic. There is evidence that some businesses are trying to address this for the long term building more resilient supply chains and moving from the 'just in time' model to the 'just in case' model (a 'just-in-time' inventory aims to reduce excess supply and create a lean production process, while a 'just-in-case' inventory is used to avoid running out of stock due to a sudden increase in demand). The Panel concluded that business operations are trying to adapt to the new situation and will probably face changes for the foreseeable future.

The potential consequences associated with Brexit could still include an economic downturn in the short to medium term and reduced funding over the medium to long term. This could lead to business loss from the Denbighshire economy resulting in greater demand on DCC services, e.g. economic development, housing, and mental health support by the agricultural community. The loss of multiple small businesses or a small number of large businesses could have cascading impacts. Furthermore, changes to the direct payments to farmers could result in new stipulations that require adaptation. It is also likely that there will be an increased administrative burden and cost to exporting goods outside of the UK. Where farmers are not supported to adapt, there is a risk to human and animal well-being. The new Welsh Government (WG) agriculture policy does not include like for like funding for rural development / communities but may include provision for similar initiatives. A rapid response framework to prioritise and mobilise support for businesses facing difficulty is in place from Welsh Government.

Corporate Risk Register (February 2022)

Specific long-term implications on Denbighshire businesses, particularly agriculture and the food industry, also need to be better understood. The council must continue, therefore, to be braced for any implications of Brexit in terms of funding (e.g. State-Aid / Shared Prosperity Fund, and current WEFO funded projects), and the likely impact on demand for services. Whilst a deal with the European Union is now in place, it is too early to quantify impacts; positive or negative, especially as the world continues to deal with the effects of COvid-19 and continued economic turbulence, not least very recently as a result of tough economic sanctions on Russia.

Anticipated direction of travel:

We would hope and expect that small Denbighshire-based businesses will continue to respond and adapt to changing circumstances arising from Brexit in the immediate / short term. The impact on larger Denbighshire-based businesses, such as forestry, food and agricultural industries, for example, may be felt more in the short to medium-term as they try to adapt their business models to remain sustainable, in 2022 to 23 and perhaps 2023 to 24. We will remain vigilant of the impact of new trading frameworks as they become live.

Controls have established clear lines of communication and information sharing that has been critical during a long period of uncertainty. However, the recent economic sanctions imposed on Russia are likely to add further tension to the global economy. Strong mechanisms are in place to allow ongoing monitoring of the risk as a result.

Impact / Consequences

- EU funded projects (e.g. skills, poverty and regeneration projects; rural and business funding) come to end and the project ceases or operates on a scaled-back version.
- Impact on supply chains and procurement of goods and services.
- Foreign Direct Investments in Denbighshire could be affected.
- Legislative change could result in delays and uncertainty for legal proceedings.
- Impact on farming and agriculture:
 - Inflation continues to affect agriculture causing significant price rises for some products such as fertilizer.

Corporate Risk Register (February 2022)

- Increase in the number of farming businesses facing financial hardship.
- Mental well-being of farming community.
- Physical welfare of animals.
- Denbighshire businesses that import / export to European Union areas. For example, Cefndy exports medical equipment products.
- Collapse of key businesses serving communities
- Vacancies or loss of employment in the county
- Financial hardship, impacting the most on those already in poverty.
- Impact on mental well-being of residents
- Potentially negative impact on broader public sector provision
- Increased pressure on social and public / animal protection services
- All the above would lead to increased pressure on public services.
- Reputational damage.

Inherent Risk

B1 – Critical Risk: Likely / Very High Impact

Controls to Manage Risk (in place)

Critical controls:

- Regional working on economic development through the Growth Deal, Covid-19 recovery plans, the economic prospectuses that have been agreed with Welsh Government, and the Regional Regeneration Officers' Group for example.
- Tackling Poverty Operational Group (DCC and Partners) meets to highlight and address issues as they arise
- WG Funding – eg Families First, Flying Start, Communities for Work etc
- UK Govt Funding: Levelling Up and Shared Prosperity Funding is focussed on addressing issues outstanding after the end of EU funded programmes (capital and revenue funding).

Corporate Risk Register (February 2022)

- As requested by the Welsh Local Government Association, Denbighshire has two named Brexit lead contacts: Corporate Director: Economy and Public Realm and the Leader.
- Regular contact with Welsh Government and the Welsh Local Government Association.
- Teams within Planning, Public Protection and Countryside Services are available to advise businesses, including the agricultural sector,
- The Corporate Procurement service will work with Services' contract managers to identify the critical contracts and mapping their supply chains.
- Services identified supply chains that could be at risk during negotiations around Brexit.
- The council was represented on the WLGA Brexit Working Group.
- The Statement of Accounts considers Brexit and the impacts of Brexit.

Ancillary controls (newest first):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- SLT and Cabinet are regularly briefed on emerging areas of concern.
- The regeneration and economic development team will consider opportunities to lobby for green/sustainable solutions to increases in the cost of fuel and energy.
- Ensured that Brexit preparedness materials are available to businesses including funding from the £10 million Brexit readiness fund.
- Communication with Social Care Wales to identify risks to agricultural communities.
- Links to the Business Wales Brexit Portal has been added to the business support pages of the DCC website.
- UK Government Brexit information being shared across social media (details found in internal updates).
- Working with relevant trade bodies (such as FSB, Chambers of Trade etc.) and the Rural Development body Cadwyn Clwyd for next steps / advice clinics.

Corporate Risk Register (February 2022)

- Meetings held with the Farming Unions to gauge what concerns have been raised by their members in the run up to Brexit, liaise with Business Improvement and Modernisation on issues raised.
- Provide input where possible to inform any new agriculture policies to be introduced by Welsh Government.
- Risk added to Planning, Public Protection and Countryside Services Risk Register: "Brexit - Negative impact of leaving European Union with a "No Deal".
- Promotion of the "Fit for Farming" booklet and wellbeing support from the DPJ foundation.
- Regular updates from professional bodies liaising with central government departments on behalf of all local authorities 3bn Fund.
- Direct work involving the farming community has largely been devolved to Cadwyn Clwyd and farming connect, who are providing advice.
- Welsh Government with Defra and other devolved administrations has developed a UK-wide contingency plan in response to the potential impacts on the sheep sector and funding may be available in the future.
- RTCB has considered risks associated with population estimate inaccuracies and the potential impact on future funding. There is a Welsh Government funding floor which would help mitigate any impact, if this issue should transpire (in which case impact would be felt in 2022-23). RTCB will continue to monitor this risk.

Residual Risk

C2 – Major Risk: Possible / High Impact.

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Major risk. Risk Appetite suggests that this should be at most a moderate risk. The Risk Owner has confirmed that they are comfortable that the scoring accurately reflects the current risk to the council.

Corporate Risk Register (February 2022)

Risk 37: The risk that partners don't have the resources, matching priorities or commitment to support delivery of shared plans and priorities, and in particular, fail to reduce inequalities and deprivation

Lead Member(s): Councillor Hugh Evans

Risk Owner: Nicola Stubbins

February update:

The description has been updated with the latest position. The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The risk score has not changed.

Description

With finite resources and competing priorities, there is a risk of a lack of commitment or capacity available to support realisation of shared plans and priorities.

Denbighshire is not a homogenous community but is made up of a diverse range of different communities where income, education, employment opportunities and housing all vary substantially. Within this diverse mix are communities with high concentrations of multiple-deprivation including some parts of Rhyl and Upper Denbigh within Denbighshire. Despite our, and our communities', clear pride in our areas, deprivation and inequality remain intractable problems that require a 'one public sector focus'. Rhyl West 2 ranks as 'the most deprived ward' in the whole of Wales, and Rhyl West 2 the second according to the Wales Index of Multiple Deprivation.

Overall household income levels in Denbighshire are lower than the national average and a greater proportion of households are estimated to be in poverty, many of which are households with children. There is evidence of higher than average in-work poverty. Based on our analysis of claimant rates, the recent increase in the claimant count, and the

Corporate Risk Register (February 2022)

time we expect it will take for the employment rate to recover, poverty and destitution, with food and fuel poverty, will be issues affecting adults and families with children over the next five to ten years at least.

What is more, increases to the cost of living is becoming an increasing risk to communities and the council, whereby our capacity to support people struggling with the cost of living may be limited or people may make decisions about how they allocate their household budget, prioritising rent or mortgage over council tax, for example.

There is health inequality within the area. People living in the areas in the most deprived fifth of Denbighshire not only have a shorter lifespan, but also spend less of it in good health compared to those living in the least deprived fifth. There is a difference of over 17 years of healthy life expectancy for females in Denbighshire's most deprived areas when compared to the least deprived. Despite overall increases in life expectancy, the gap between the proportion of life expected to be spent in good health in the most and least deprived areas has shown no clear sign of reducing in the last ten years.

Geographical access to key services forms part of the Welsh Index of Multiple Deprivation 2019 (WIMD 2019). This domain of the WIMD considers the average travelling time to access a range of services considered necessary for day-to-day living, including access to a pharmacy and GP surgery, food shop or primary school for example. As of 2019, the domain now includes a new digital indicator (percentage of unavailability of broadband at 30Mb/s). 14 lower super output areas (LSOAs) in Denbighshire feature in the 10% most deprived in Wales for access to services. These data tell us primarily about travel times to physically access services and indicate a significant population who are likely to suffer poor physical access to services or to be significantly reliant on private transport. That more LSOAs in feature in the 10% deprived in Wales in 2019 for access to services than five years ago, is probably likely to the additional indicator measuring broadband.

Anticipated direction of travel:

Covid-19 has put external pressure on the council and its partners to deliver services; this is likely to be the case into the medium term.

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The consequences of Covid-19 have resulted in significant impacts for people's economic and educational outcomes, their physical and mental health, and well-being more generally. As a result of Covid-19 we have already seen exacerbated inequalities (with people from non-white ethnicities being more likely to die from Covid-19) and these are likely to continue for the medium and long term. The prevalence of 'long Covid', the term used to describe continued symptoms of Covid-19, is likely to compound existing inequalities in the same way Covid-19 has.

We therefore do not expect the risk to diminish in likelihood or severity soon.

Impact / Consequences

- Objectives not delivered.
- Issues/problems that provided justification for the priorities continue or deteriorate.
- Failure to maximise opportunities to collaborate to resolve issues no single organisation is responsible for or capable of resolving on its own.
- Ineffective management of expectations among partners/public leading to reputational damage.
- Investment of council resources with minimal return.
- There will be greater demands this year to manage recovery from Covid-19, with pressures on the front line.
- Increases in cost of living leads to reduced income for the council, eg reduced council tax.

Inherent Risk

B1 – Critical Risk: Very Likely / High Impact

Controls to Manage Risk (in place)

Critical controls (newest first):

- Denbighshire County Council's corporate plan is developed in the context of local need and regional priorities. A detailed engagement and well-being assessment to

Corporate Risk Register (February 2022)

assess need in the local area is currently being consulted on. These pieces of work are informing the development of the new Public Service Board's (PSB) Well-being Plan and the council's new corporate plan.

- The implementation of the Welsh Government's announcement to fund the Real Living Wage for registered social workers.
- Denbighshire is represented at collaborative boards by senior managers and / or political leadership, for example, at the Regional Partnership Board, Economic Ambition Board, and Regional Leadership Board.
- Collaborative plans and priorities (for instance, the PSB's Well-being Plan) has been developed to reflect broader public sector priorities across the two counties.
- Regional working to manage the Covid-19 pandemic through the Strategic Coordination Group is working well with all partners present and working together.

Collaborative partnership	Collaborative plan/strategy
Conwy and Denbighshire PSB	Well-being Plan
North Wales Economic Ambition Board	Growth deal
Regional Partnership Board	Transformation Programme and Regional Priorities

Ancillary control:

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.

Relevant indicators of the effectiveness of controls:

- The Welsh Index of Multiple Deprivation (WIMD)

Other qualitative data will be able to describe what effective capacity and skills looks and feels like when it cannot be measured. Such as:

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- Production of the Public Service Board's Well-being Assessment and Well-being Plan
- Delivery of the Rhyl Regeneration Board's plans and other community development programmes
- Activity: CSS20/4002a Work with partners to focus on recruitment to care and career pathways for young people – Agencies (Imogen Blood) / Micro enterprises / FE Colleges /Volunteer groups

Assurance:

- Feedback from the Welsh Government and the Future Generations Commissioner on the Public Service Board's Well-being Assessment and Well-being Plan.

Residual Risk

C2 – Major risk: Possible / High Impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Major risk. Risk Appetite suggests that this should be at most a moderate risk. The Risk Owner has confirmed that they are comfortable that the scoring accurately reflects the current risk to the council.

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Risk 43: The risk that the council does not have the funds or resources to meet its statutory obligations under the Additional Learning Needs and Education Tribunal (Wales) Act 2018

Lead Member(s): Cllr Huw Hilditch-Roberts and Cllr Bobby Feeley

Risk Owner: Geraint Davies

February update:

The description and controls have been updated. The risk score remains D2 – Major risk: Unlikely / High Impact, and remains outside of our risk appetite.

Description

The Additional Learning Needs and Education Tribunal (Wales) Act, 2018 has replaced the Special Educational Needs Code of Practice for Wales (2002). This new Act is supported by regulations and an ALN Code. The Act replaces the terms 'special educational needs' (SEN) and 'learning difficulties and/or learning disabilities' (LDD) with the new term 'additional learning needs' (ALN). The Act has created a single system, with a single statutory plan, the Individual Development Plan (IDP). This plan replaces existing plans, such as Individual Education Plans (IEPs), Statements of SEN and Learning and Skills Plans.

The Act places a range of duties on local authorities in relation to additional learning needs (ALN), which can be grouped as follows:

Specific duties - in relation to individual learners (usually those in their area) such as duties to maintain individual development plans (IDPs) for some learners (including learners who are dual registered and those with more complex needs) and the duty to reconsider decisions made by school governing bodies.

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General duties - to support the functioning and effectiveness of the ALN system – including the duty to provide information and advice and the duty to keep additional learning provision under review.

In addition, local authorities have general education functions - related to maintaining schools and the provision of education, including intervention powers where schools fail to perform their duties.

Local authorities will be directly responsible for meeting the needs of children and young people with the most complex and/or severe needs, those who do not attend a maintained school or FEI in Wales (including those below school age).

Clarification is still needed from Welsh Government around some aspects of the ALN Code, these include Elective Home Education and Looked After Children.

Delivery of the legislation and guidance around capacity, is not cost neutral.

This risk continues to be escalated from the Education and Children's Service Risk Register to reflect both the residual risk score, and the wide-ranging implications for other areas of the council (adult's services, legal, procurement and so on).

Anticipated direction of travel:

This risk is still beyond our appetite. It is a new piece of legislation that is prompting significant change in working practices, and there are capacity/budgetary implications and constraints. However, once the new Act is embedded, and processes procedures and systems are embedded in schools, *and this work becomes business as usual*, the risk will decrease. There will always be a risk associated with not meeting individual learner's needs however, but we anticipate being in a position to manage that risk at a service level, in Education and Children's Services risk register. We anticipate the likelihood becoming rare but the impact will always remain high.

Impact / Consequences

Not meeting the requirements of the Act could have an impact on learners with ALN and would have regulatory and reputational consequences for the authority, including potential

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legal and financial implications. There is also the potential for increased demand on services. There is a budget pressure and we are anticipating, across Wales, an increase in disputes, which could impact on other services (legal services), and increase the risk for reputational damage.

Inherent Risk

B2 – Critical risk: Likely / High Impact

Controls to Manage Risk (in place)

Critical controls (newest first):

- A position update paper is going to SLT in January/February 2022. This paper outlines in detail the approach taken by the council to implement the legislation.
- Denbighshire continues to work collaboratively with colleagues across the region and we are leading on the Educated Other Than At School (EOTAS) and Looked After Children (LAC) working groups. The main focus for the region over the past 6 months has been implementing the Welsh Government's Implementation Guidance that was published in November 2021
- A comprehensive training programme is in place, and underway.
- Schools have been completing a 'Costed Provision Map' which is a recording spreadsheet for them to show the amount of funding that is being spent across the school on learners needing support. Proposals for amendments to the 3 year rolling average budget will be presented to the School Budget Forum in January 2022.
- The Eclipse IT system is now live in Denbighshire with local authority and school staff now having access. As part of this ongoing collaboration, a Memorandum of Understanding has been established to avoid duplication of effort.
- We have conducted a review of the Team Around the School (TAS) and this will be an ongoing process to ensure that the TAS continues to function well and provide the support needed.
- We are working with schools to map out provision that ranges from universal to targeted. We will develop a strategy to review provision.

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- We are working regionally to ensure consistency. A comprehensive 'Inclusion Guidance' document is in the process of being finalised which will signpost schools to relevant parts of the ALN Code and highlight key local authority processes around Inclusion.
- The Additional Learning Needs Education and Tribunal Act Wales 2018, has placed upon the Local Authority the duty to determine if a child has additional learning needs from birth if requested to do so by health, parents or any other source. In response to this new duty, the Pre School Team have extended the universal service to provide advice and guidance to all childcare providers. Prior to the implementation of the Act, 39 funded pre-school settings were supported by the central team; this has now increased to 96 pre-school childcare providers to include childminders and private day care settings. This has been achieved with no additional cost through collaboration between Flying Start, Family Link Service, the existing Pre-School SEN team and the creation of the Pre - School Outreach Service. The new system supports early identification and intervention with the view to enabling children with developmental delay to progress. Close collaboration between these services has provided an additional benefit in enabling a holistic approach incorporating support for children and families.
- There are ongoing budget requirements associated with implementation, for example recruiting Educational Psychologists, additional learning team members or implementing and housing the Eclipse IT system.

Ancillary control:

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.

Relevant indicators of the effectiveness of controls:

- CH012i: The number of negative reports from external regulators
- CUECS: The % of external complaints upheld or partly upheld over the last quarter

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- QECSM24: The percentage of assessments for children completed during the year that were completed within 42 working days from the point of referral

Other qualitative data will be able to describe what effective capacity and skills looks and feels like when it cannot be measured. For example, ALN being identified (by Estyn) as a recommendation for schools going into a statutory category, or learners' responses to the Pupil Attitudes to Self and School (PASS) survey.

Assurance:

- An update report will be presented to Performance Scrutiny in July 2022.
- GwE, with its support improvement advisors, routinely monitor, challenge and support schools. The council has identified ALN as a priority in GwE's forward work programme for the year.
- School inspections by Estyn, as and when they occur.

Residual Risk

D2 – Major risk: Unlikely / High Impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

No. Major risk. Risk Appetite suggests that this should be at most a minor risk. As our mitigating actions progress over the next year, we would expect to see the residual risk reducing and brought closer to our risk appetite. We expect the likelihood to reduce, although the impact is anticipated to remain medium or high.

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Risk 44: The risk of Ash Dieback Disease (ADB) in Denbighshire leading to significant health and safety issues that represent a potential risk to life

Lead Member(s): Cllr Tony Thomas

Risk Owner: Tony Ward

February update:

The description has been updated with the latest position. The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The risk score has not changed.

The due date for completion of further action number 1 has been extended to reflect a loss in personnel. Further action number 2 (“Develop a business case for further funding to deliver the ABD Action Plan”) has been removed because the risk owner will monitor financial spend and raise a revenue budget pressure, if required, on an ongoing basis (as agreed at CET).

Description

ADB is already present in Denbighshire, and our management of ADB will not be "business as usual". There will be a need for changes in management practice.

As time is progressing, we are developing a better view of the scale of the issue. We have three inspectors in post, and we are working through a programme of inspections.

We have taken a risk-based approach to our inspections; focussing initially on trees in highest risk areas, i.e. our busiest highway routes, particularly trees along the highway on gritting routes. Around 10,000 tree assets - including circa 8,000 ash trees - have been inspected categorised, and logged on our new software system. We are developing a

Corporate Risk Register (February 2022)

clearer view of the condition of those trees in our riskiest areas and we are still working on getting a county-wide picture of the issue.

We are still working to deliver a draft ADB action plan by end of this financial year, however the project manager role is vacant at present (1 February 2022), so there is a potential risk of a delay in achieving that deadline. The draft will progress through the scrutiny and political process from around the end of summer/Autumn 2022.

The draft ADB Action Plan will cover a number of issues, including how we plan to deal with trees not owned by DCC and how we plan to manage our own tree stock. The tree inspectors will have a key role in both scenarios. One of the key principles of the Action Plan will be that no DCC-owned tree will be removed unless it is entirely necessary to do so. Monitoring and low-level remedial work will be undertaken, where possible. We will also encourage landowners to take a similar approach.

Anticipated direction of travel:

Once the draft ADB action plan is approved and starts to be delivered we anticipate that the residual risk will be further reduced and brought closer to, but perhaps not within, our risk appetite. We expect the likelihood to reduce, although the impact is anticipated to remain high. There are no performance measures currently available to quantify progress in reducing this risk, however this will be reviewed once the action plan is in place.

Impact / Consequences

The impact is likely to be far reaching, across various council services and communities themselves.

- Public safety.
- Increased liability.
- Considerable impact on landscape - dead and dying ash trees across the county.
- Impacts on statutory functions and service delivery.
- Staff safety.
- Significant budgetary implications.
- Disruption to infrastructure and communities.

Corporate Risk Register (February 2022)

- Political and reputational impact.
- Reduced carbon absorption due to a loss of trees.

Inherent Risk

A1 – Critical Risk: Almost certain / Very high impact

Controls to Manage Risk (in place)

A proactive approach is necessary to understand how many ash trees are in the county and prepare an ADB action plan. Capacity and resources will need to be secured to achieve this.

Critical controls (current controls appear first):

- This risk was discussed by CET as part of a risk deep dive session on 7th January. The purpose of the discussion was to determine the effectiveness of controls and to seek some assurance around the planned approach with the draft ADB action plan and budget. During that discussion it was agreed that Highways and Environmental Services would take responsibility for all DCC trees, regardless of which service owns the land.
- Trees along our gritting routes have been inspected. We've been taking steps to deal with those trees where remedial action needs to be taken more urgently. We will be expanding inspections across the county – this work will be extensive.
- The aim is to have a draft corporate ADB Plan in place by the end of March 2022, but the impact of ADB will need to be managed for the next 5-10 years.
- In the course of the inspections currently underway, which are being based along our critical routes, we are identifying instances that pose an imminent health and safety risk. Where these are found we are taking action to deal with the risk immediately. This is helping us to bring the risk under a little more control.
- Ash Dieback is anticipated to have a significant impact over the next ten years. Our action plan to tackle the issue will require resourcing. It was agreed at CET that we

Corporate Risk Register (February 2022)

would use cash to fund any necessary remedial work for now, whilst we establish whether there is a need for anything more formal/permanent. We have an existing reserve, and an annual revenue budget for this purpose. If this proves to be inadequate to deal with urgent health and safety risks, the project sponsor will raise this as a revenue pressure. We have a revenue budget and reserve for ADB – particularly for trees posing a danger - and will highlight any budgetary pressures following that. The estimated cost of dealing with the current sample of inspected trees (worst case scenario) is potentially significant, around £2m.

- Project updates are reported on a regular basis.
- A briefing paper on our approach went to Cabinet in December 2019.

Ancillary controls (newest first):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- The issue is so significant we are focussed solely on critical controls at this stage.
- Whilst no formal collaboration is in place, we will work with neighbouring authorities informally. We have agreed to meet regularly with Conwy to discuss progress informally; to learn from one another's experiences, and to ensure we deal with the problem efficiently - doing things once.
- Carbon absorption and biodiversity improvement, with favourable replanting/habitat/land management ratio, will be considered as part of the ADB action plan.

Relevant indicators of the effectiveness of controls:

- Under development but delivery of the action plan will demonstrate effective control measures have been implemented. Likely indicators to be available include the number of inspections and percentage of inspected trees in highest category of risk.

Assurance:

Corporate Risk Register (February 2022)

- Internal Audit Review Risk Management 2021

Residual Risk

B2 – Critical Risk: Likely / High impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Critical risk. Risk Appetite suggests that this should be at most a moderate risk. Our management of this difficult risk is in its early stages but progress is being made. Our current score reflects this and the serious potential for death or injury. As our mitigating actions progress over the next 12-24 months plus (the action plan will be a 5-10-year effort), we would expect to see the residual risk reducing and brought closer to our risk appetite. We expect the likelihood to reduce, although the impact is anticipated to remain high.

Further Actions

1. Draft Corporate Ash Dieback Action Plan

Action plan will be informed by detailed mapping of the council's ash tree population and condition information, identifying those trees that need to be made a priority based on the level of risk.

Action Due Date: 31/05/22

Person Responsible: Tony Ward

Corporate Risk Register (February 2022)

Risk 45: The risk that the council fails to become a net carbon zero and ecologically positive council by 2030.

Lead Member(s): Cllr Brian Jones and Cllr Tony Thomas

Risk Owner: Nicola Kneale

February update:

The risk owner has changed following Alan Smith's retirement. Arrangements will be confirmed in due course.

Controls have been updated, including links to indicators and assurance. The action to "Develop the maturity of the benefit realisation approach for the Programme" has been replaced with a new action to "Conduct a review at the end of year two to map benefits against resources". Further actions will be led by Andrew Cutts.

The risk score has not changed.

Description

Since declaring a Climate Change and Ecological Emergency in July 2019, we have developed a Climate and Ecological Change Programme to become a net carbon zero and ecologically positive council by 2030.

Anticipated direction of travel:

This risk is currently beyond our risk appetite. Our management of this difficult risk is in its early stages but progress is being made, and we expect to receive positive feedback from Audit Wales on our programme management and organisational ambition on this agenda. This risk will require close and very regular management to ensure controls are working as intended. We expect the likelihood to reduce, although the impact is anticipated to remain high. The programme contains a range of indicators to track progress and performance.

Corporate Risk Register (February 2022)

Impact / Consequences

- The impact of not fulfilling our programmes and realising benefits could result in poor social, cultural, economic and environmental outcomes. This could result in us not meeting our carbon reduction and absorption targets and not maximising benefits such as flood alleviation, urban cooling, contributing to keeping to temperature rise to 1.5 degrees or lower.
- Damage to reputation
- Financial liabilities
- Regulatory liabilities
- Deteriorating Staff morale
- Inability to meet statutory obligations

Inherent Risk

A1 – Critical Risk: Almost Certain / Very High Impact

Controls to Manage Risk (in place)

Critical controls (newest first):

- A “deep dive” paper was presented to CET in November 2021, to explore what we could do to reduce the gap in our risk appetite. It was concluded that we should tolerate uncertainty around this the risk for the next 2 years, by the end of which time we should have sufficient information (about our costs, capacity and the results we have achieved to date), to determine whether we are likely to become net carbon zero.
- Climate Change team has been established, with a programme board in place. Resource plans are in place for services for key areas of the Climate and Ecological Change Programme.
- The Climate and Ecological Change programme actively seek opportunities for external grant funding

Corporate Risk Register (February 2022)

- Introduction to Climate Change training is available to all staff. Most of the Senior Leadership Team have attended a one-day accredited Carbon Literacy course. Intranet pages launched to increase awareness of staff to the contribution they can make.
- Active participation in national, regional and local strategy and operational groups to leverage benefits from collaboration.
- We are anticipating some feedback from Audit Wales regarding performance and judging success of the Climate and Ecological Change programme and how the Council will ensure resources are in place to deliver the programme.

Ancillary controls:

- Effective programme management is in place, including communications and risk management.
- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.

Relevant indicators of the effectiveness of controls:

- NCZCORP: Net Carbon Zero - Total carbon tonnage emitted and absorbed by the council (excluding supply chains)
- STOTALCORP: Total carbon tonnage sequestered (Corporately) for the Net Carbon Zero goal
- SRHIGHCORP: Percentage of DCC owned and operated land in highest categories of species richness
- SRLOWCORP: Percentage of DCC owned and operated land in lowest categories of species richness

Assurance:

Corporate Risk Register (February 2022)

- Internal Audit Review planning prompts for testing-related controls in all relevant projects
- Office Accommodation Internal Audit Review 2020
- Included in Internal Audit 2022/23 plan
- Audit Wales – Delivering Environmental Ambitions 2020-21

Residual Risk

B2 – Critical Risk: Likely / High

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Critical risk. Risk Appetite suggests that this should be at most a minor risk. Our management of this difficult risk is in its early stages but progress is being made. We expect the likelihood to reduce, although the impact is anticipated to remain high. It is unlikely that this risk will be brought closer within our risk appetite for some time to come. Although, clearly, our ambition is to meet the target, we hope to be able to reduce the impact of the risk closer to 2030 once sufficient benefits and positive impacts have been achieved.

Further actions:

- 1. Ensure all of SLT, including any new members, attend one-day carbon literacy training**

Action Due Date: 31/03/2022

Person Responsible: Jane Hodgeson

- 2. Conduct a review at the end of year two to map benefits against resources**

Action Due Date: 31/03/2023

Person Responsible: Jane Hodgeson

Corporate Risk Register (February 2022)

Risk 47: The risk that the new North Wales Corporate Joint Committee (CJC) results in the council having less influence and control at a local level

Lead Member(s): Cllr Hugh Evans

Risk Owner: Gary Williams

February update:

The description has been updated with the latest position. The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The risk score has not changed.

Description

The Local Government and Elections (Wales) Act 2021 created provision for the establishment of Corporate Joint Committees (CJC). The new North Wales CJC has been established with responsibility to lead, on behalf of the region, on three key functions:

1. Strategic development planning
2. Regional transport planning
3. Regional economic development

It is currently supported by the six local authorities and Snowdonia National Park. It has been agreed in principle that the NWEAB will become a sub-committee of the CJC, although some regulatory changes will be needed to enable that to take place.

The CJC set its budget in January 2022. The functions of the CJC must be operational from June 2022. Scrutiny arrangements have yet to be confirmed.

The CJC offers opportunities to establish a strategic and regional approach to these three functions to develop Denbighshire's economy and communities. However, there is a risk

Corporate Risk Register (February 2022)

that there is insufficient clarity, time and engagement to capitalise on these opportunities. Conversely, there is a risk that the council puts in a lot of effort but doesn't receive a proportionate return on investment.

Anticipated direction of travel:

We anticipate that this risk will reduce, and potentially disappear once the CJC is fully established and operational. However, the risk, once it is fully understood established, will need to be re-evaluated. For example, there may be a risk of reduced local oversight. There are no performance measures currently available to quantify progress in reducing this risk.

Impact / Consequences

- Failure to agree a regional approach to the workings of the CJC.
- Failure to agree the budget annually.
- Risk of confusion between the CJC and the North Wales Economic Ambition Board, although somewhat mitigated by the agreement in principle (see above).
- Failure to maximise opportunities for the benefit of communities and businesses in Denbighshire.
- Poor services.
- Disproportionate return on investment.

Inherent Risk

C2 – Major Risk: Possible / High Impact

Controls to Manage Risk (in place)

Critical controls:

- Denbighshire's Leader is a member of the North Wales CJC
- We continue to meet internally to discuss the CJC (CET plus Leader, Deputy Leader and Head of Planning, Public Protection and Countryside Services)

Corporate Risk Register (February 2022)

- The North Wales Chief Executives are monitoring the implementation of the CJC and a project is in place to support monitoring to take place.

Ancillary controls:

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.

Relevant indicators of the effectiveness of controls:

- The CJC will eventually be subject to performance reporting requirements.

Assurance:

- Scrutiny arrangements are to be confirmed.
- The North Wales CJC will have its own Governance and Audit Committee.
- The North Wales CJC will have its own Standards Committee arrangements.
- CJsCs are likely to be subject to audit arrangements that are similar to local authorities, for example by Audit Wales

Residual Risk

D3 - Moderate Risk: Unlikely / Medium

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Yes

Corporate Risk Register (February 2022)

Risk 48: The risk that recruitment and retention issues, leading to a loss of expertise and capacity, worsen resulting in poor or inadequate services

Lead Member(s): Cllr Hugh Evans

Risk Owner: Graham Boase

February update:

The controls have been updated, including the new information about indicators of the effectiveness of controls and recent and planned assurance.

The two further actions to “Understand the implications of adopting a real living wage policy for DCC and explore whether Welsh Government will implement it nationally and fund it” and “Explore the potential of market supplements for certain roles” are complete and have been removed. Progress in relation to these actions have been included as critical controls, and these will continue to be part of our ongoing control measures for the foreseeable future.

Description

Many services have been struggling to recruit and retain staff for some time, particularly – but not limited to - critical front line social care and health and highways and environment roles. This is a national issue for the care sector. At the root of this are many factors, including the relatively low wages, high demands, and sometimes a perceived lack of esteem/value in the care career path in particular. There are also some regional pressures associated with neighbouring employers offering higher salaries.

The behaviour changes resulting from social-distancing measures - with the pivot to home working now common in many workplaces – means people are now able to apply for jobs from across Wales, UK and beyond.

Corporate Risk Register (February 2022)

Furthermore, one emerging consequence of Covid-19 is that people are reassessing their situation and ambitions and are making different life choices, which sometimes involves leaving their roles.

With the resurgence of the hospitality and retail sectors following Covid-19, potential new employees and some existing employees (whether employed by the council or an agency), are taking positions in these sectors instead.

These changes also present opportunities, with the council being able to position itself to attract a wider pool of talent from a much larger geographical area.

Please note: EU Nationals within DCC were required to apply to the Settled Status Scheme to remain working in the UK. The deadline has now passed. The risk associated with EU nationals was mitigated and the Brexit risk register has been closed.

Anticipated direction of travel:

The risk, in terms of its likelihood and impact, is not fully understood at present. What is more, the severity of the risk will not be the same for all services (for example, in relation to Risk 34: The risk that demand for specialist care cannot be met locally). There is most acute concern in adult and children's services, followed by concern in highways and environment roles, in environmental health and finance roles for example. However, at this stage we anticipate that this risk will reduce in the short to medium term, and will eventually be managed solely by Services themselves with support from Legal, HR and Democratic Services. There are no performance measures currently available to quantify progress in reducing this risk.

Impact / Consequences

- Failure to recruit to and retain staff in key roles, including front line positions
- Difficulty in sustaining services
- Difficulty meeting statutory requirements
- Deteriorating staff morale/well-being
- Increased pressure on middle and senior managers

Corporate Risk Register (February 2022)

- Reputational damage, i.e. the council isn't perceived to be a desirable employer with favourable terms and conditions
- Failure to position Denbighshire as a great place to work

Inherent Risk

B3 – Major Risk: Likely / Medium Impact

Controls to Manage Risk (in place)

Some services are taking specific actions, such as Highways and Environment Service working with Working Denbighshire or Adult's Services working with Communities and Customers to deliver a targeted recruitment programme. This risk though captures the impact on the organisation corporately and the following controls reflect a corporate response. Whilst these controls are regarded as important to undertake, we are not currently certain that they will reduce the risk. There are regional and national pressures around recruitment and retention and some of these pressures may resolve themselves as we recover from Covid-19, for instance.

Critical controls:

- A new group has been established looking a recruitment issues in care. This is chaired by Nicola Stubbins.
- HR completed workforce planning with all services in November 2021, and included discussion about recruitment and retention. The subsequent Corporate Workforce Plan has been discussed with CET and SLT. Recruitment and retention has been identified as a corporate concern and a number of actions have been agreed in the delivery plan. HR are, alongside Services, exploring a range of different strategies that could be put in place to support recruitment activities and help with retention, such as upskilling our own employees; working with partners, job redesign and market supplement payments. Market supplements and other tools have been discussed for some roles, however to date, no market supplements have been implemented.

Corporate Risk Register (February 2022)

- A Recruitment to Care Group has been established and is being chaired by the Corporate Director Communities. A project plan for the Group has been agreed and a new recruitment specialist has been created to support the delivery of the project plan.
- A Real Living Wage (RLW) workshop was held with full Council on September 14, 2021, and options and implications of the Council becoming a RLW employer were discussed. The outcome was:
 - The council would continue to pay all staff on the basis of the nationally negotiated and agreed rates of pay.
 - The current pay offer for 2021/22 would, if accepted, mean that all staff would be paid at or above RLW rates.
 - This is a complex and difficult issue to resolve locally without completing a complete review of the council's pay structure and procurement position which would be time consuming and costly. The payment of RLW across the sector would appear to require a coordinated and consistent national approach.
 - It was recommended that the council engages with the debate at national level to ensure that any future solution is practicable and funded.
- Activities that are likely to be considered in relation to a taking a corporate approach to the issue could include a review of our marketing, recruitment process, and how managers and 121s support learning and development.
- Denbighshire County Council has written to the UK Government following a Notice of Motion that was put before a meeting of Full Council on 12 October 2021. The letter urges UK Government to designate, as a matter of urgency, social care workers as skilled workers, in order that they meet the entry requirements of the post-Brexit points-based immigration system introduced in January 2021.
- Work experience, career grade job roles, apprenticeships are available in the council.
- Work is taking place regionally to tackle particular/acute recruitment issues (such as those in social care and health).
- We are adopting a more commercial, marketed approach to recruitment.
- A real living wage workshop too place with Full Council on 14 September 2021.

Corporate Risk Register (February 2022)

Ancillary control (newest first):

- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.
- Denbighshire County Council has written to the UK Government following a Notice of Motion that was put before a meeting of Full Council on 12 October 2021. The letter urges UK Government to designate, as a matter of urgency, social care workers as skilled workers, in order that they meet the entry requirements of the post-Brexit points-based immigration system introduced in January 2021.

Relevant indicators of the effectiveness of controls:

- LHRD10i: % of people who started in the last 12 months and who are still working for DCC
- SHR105i: The percentage of services that have completed the annual workforce planning review at Quarter 3

Qualitative indicators (delivery of activities):

- CSS20/4002a Work with partners to focus on recruitment to care and career pathways for young people – Agencies (Imogen Blood) / Micro enterprises / FE Colleges /Volunteer groups
- WFP1a: Refresh the workforce planning template and programme

Residual Risk

B3 – Major Risk: Likely / Medium Impact

Corporate Risk Register (February 2022)

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

Yes. If operational and policy delivery is regarded as the most significant impact, our risk appetite in this regard is open.

Corporate Risk Register (February 2022)

NEW Risk 49: The risk that the future funding regime doesn't allow the council to continue to support the most vulnerable learners and disengaged young people in the way we have been through EU funding

Lead Member(s): Cllr Huw Hilditch-Roberts and Cllr Bobby Feeley

Risk Owner: Nicola Stubbins

February update:

This risk is a new risk to the corporate risk register that has been transferred from the council's Brexit risk register (now closed). The risk was formerly known as "The risk that the future UK Prosperity fund leads to a decrease in provision for Denbighshire residents (Council Risk)".

Currently a Critical risk. Our Risk Appetite suggests that this should be at least a Minimalist risk.

Description

The European Structural Fund (ESF) 2014-2020, supported four projects within Denbighshire. For example, ESF supported the TRAC and ADTRAC 11-24 project that provides interventions aimed at vulnerable learners identified as being at risk of disengaging from education.

The effective work and interventions of the TRAC officers have led to more safeguarding concerns being identified. The effectiveness of the project being an integral service in Education and Children's Services has also led to a wider understanding and capacity to support some of our most vulnerable young people. ADTRAC has also proven to be effective in reducing young people at risk of becoming disengaged or NEET (not in education, employment or training).

Funding ceases at the end of the 2021-22 academic year. Funding from the ESF is expected to be replaced by a UK Shared Prosperity Fund. A White Paper is due

Corporate Risk Register (February 2022)

imminently (before pre-election period), and this Paper – it is hoped – will confirm that the Shared Prosperity Fund may be used to fund elements of the current provision.

Anticipated direction of travel:

EU funding will stop, that is certain. However, at this point in time, the future outlook is very uncertain and our assessment of this risk reflects this lack of information or confirmation about the future of the UK Shared Prosperity Fund. We have low level confidence that some funding will be available but on the basis of current information, the anticipated direction of travel for this risk is uncertain.

On the basis that we are unlikely to see a like for like provision, and until such time funding is confirmed, the residual risk score is the same as the inherent risk score.

Impact / Consequences

The range of interventions available are currently keeping the most challenging, vulnerable and disengaged learners and young people in education, employment or training. A significant proportion of participants are identified as having additional learning needs. This has had a positive impact on Not in Education, Employment or Training (NEET) outcomes. Loss of this provision could lead to:

- Educational provision that does not meet the needs of learners at risk of disengaging
- More learners leaving school without qualifications and a greater number of young people becoming NEET
- Decrease in school attendance and an increase in exclusions from schools;
- Worse health and well-being, including an increase in the number of learners and young people in Denbighshire with mental health difficulties but not receiving support, particularly boys
- Increased risk of disengaged learners becoming involved in risky and/or anti-social behaviours and the impact of this on families and communities;
- Reduced counselling capacity and availability

Corporate Risk Register (February 2022)

- Missed safeguarding opportunities and / or later referrals at child protection level
Greater pressure on wider public services, including significant additional resource pressures on schools absorbing the caseloads

Inherent Risk

A2 – Critical Risk: Almost Certain / High Impact

Controls to Manage Risk (in place)

Critical controls:

- We are currently working on an assumption that we will be able to draw down Shared Prosperity funding to fund the most critical interventions (TRAC (school-aged) and ADTRAC (non-school aged young people)) that were funded by ESF funds.
- A paper will be presented to the Budget Board in February to explore any internal/temporary solutions to the funding gap.
- A report (“TRAC and the risks exposed by the conclusion of ESF”) was discussed by SLT in October 2021.
- The council has interim arrangements in place for managing the Community Renewal Fund for 2021 to 2022.
- The worst case scenario, should the UK Shared Prosperity Fund be unavailable, is that, from an education point of view, those disengaged learners will return to school. However, we know that this would not be in their best interests. We are also confident we would still see an impact on young people’s unemployment.

Ancillary controls:

- We will keep in touch with Welsh Government on the Youth Progression Framework (because TRAC and ADTRAC are interventions to address disengagement and reduce learners and young people from becoming NEET).
- Monitoring updates from WLGA to find out when we have a chance to influence the allocation of the fund.

Corporate Risk Register (February 2022)

- Opportunity to lobby more as a region.
- Managers ensure the Communications Team is fully briefed, as early as possible, on any situation that may cause significant reputational loss. The Communications Team manage media and public relations and internal communications on the matter.

Relevant indicators of the effectiveness of controls:

- NEET rate
- Attendance at school

Assurance:

- For now, regular reports to the Regional Engagement Team (EU).

Residual Risk

A2 – Critical Risk: Almost Certain / High Impact

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

On the basis that we have an Open Risk Appetite in relation to operational and policy delivery, no. Currently a Critical risk. Our Risk Appetite suggests that this should be at least a Major risk. Our management of this difficult risk is in its early stages and progressing our controls is dependent on confirmation that the UK Shared Prosperity Fund will be available to fund elements of our existing interventions. Should that funding be confirmed, it is likely that this risk will be brought closer within our risk appetite.

Corporate Risk Register (February 2022)

NEW Risk 50: The risk that Welsh Government's commitment to eliminate profit from the care of Looked After Children results in an unstable or unsuitable supply of placements

Lead Member(s): Cllr Huw Hilditch-Roberts and Cllr Bobby Feeley

Risk Owner: Nicola Stubbins

February update:

This is a new significant risk that has been agreed by all six Directors of Social Services for inclusion in corporate risk registers. We have slightly amended the wording of the title of the risk agreed regionally to more clearly reflect the risk as we see it.

Description

The Welsh Government's Programme for Government makes a commitment to 'eliminate private profit from the care of looked after children during the next Senedd term'.

The objective of removing profit is a positive one and it has the region's resounding commitment. However, it is imperative that Welsh Government take steps in pursuit of not-for-profit arrangements that do not disrupt children and young people's lives in the short term.

Our key concern is that providers become unsettled and the sufficiency and suitability of placements will be affected, affecting the lives of Looked After Children.

Anticipated direction of travel:

This is a new risk, which has been regionally agreed. We will review the anticipated direction of travel as our management of this risk progresses over the next few months.

Impact / Consequences

- Reduction in the number of placements for Looked After Children both generally and within the region or reasonable travel distance to the region.

Corporate Risk Register (February 2022)

- Current placements will be destabilised.
- Reduced investment in the area to develop local supply by private providers.

Inherent Risk

B2 – Critical Risk: Highly likely / High Impact

Controls to Manage Risk (in place)

Critical controls:

- Work with Welsh Government to ensure children are supported as close to home as possible.
- Raise the issues connected with this approach with Welsh Government and stress that a detailed and informed approach, attuned timing, and compatible messaging is essential to the competent management of the journey.
- Identify other alternative provision that is available
- Raise awareness within the Regional Partnership Board and partner organisations.
- Apply caution with the ongoing work of the NWWB and the investments required in ASC
- The Regional Commissioning Board to consider other models such as In-house delivery

Ancillary controls:

- None.

Relevant indicators of the effectiveness of controls:

- Costs associated with care for LAC will be available.

Residual Risk

C3 – Moderate Risk: Probable / Medium Impact

Corporate Risk Register (February 2022)

Is our risk exposure (based on the score) consistent with the council's Risk Appetite?

On the basis that we have an Open Risk Appetite in relation to operational and policy delivery, yes.