

## **Corporate Risk Register (September 2022)**

Changes are summarised under each risk title summary.

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

**Lead Member(s):** Councillor Gill German and Councillor Elen Heaton

**Risk Owner:** Nicola Stubbins

#### **September update:**

The title has been updated to include 'practice error' (previously 'The risk of a serious safeguarding error, where the council has responsibility, resulting in serious harm or death'). The description and controls have been updated.

The inherent score has increased to reflect the pressures the council is facing and the impacts of changes in the external environment (these are set out in the description). The inherent score has increased from B2 – Critical Risk: Likely / High Impact to A1 – Critical Risk Almost certain / Very high impact. The residual score has increased from D2 – Major Risk: Unlikely / High Impact to A1 – Critical Risk Almost certain / Very high impact.

The risk score has been increased on the basis of our assessment that the chance of this occurring is currently higher than it was previously. Although we do not regard the likelihood as "almost certain to occur in most circumstances" (which is the definition of Risk Likelihood A in our risk methodology), the risk has certainly increased. It therefore feels appropriate to increase the Risk Likelihood score, and that means increasing it from B to A. Increasing the risk score enables the risk to be further prioritised and escalated, which feels appropriate and necessary at this time.

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The impact has been increased because we know the risk is higher in terms of likelihood and despite our controls, we are at the limits of what can be done to reduce the likelihood of the risk. The risk is beyond our appetite.

An actions log is in development to support monthly reviews of the risk and our management by CET. A draft actions log is included for information.

### 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 recruitment and retention issues in social care is significantly impacting on the council's ability to deliver statutory social care functions. As at September 2022, we are deeply concerned that a death could occur as a result of insufficient staffing resources.

There is a national recruitment and retention crisis in social care (see also [risk 48](#)). Social care frequently loses staff due to the superior pay and conditions offered by recruitment agencies, other local authorities and the health board, often for similar but less demanding roles. Our services are often only able to replace experienced staff with newly qualified or inexperienced workers that require significant support and are unable to independently work with the increasingly complex cases referred to the service. Many new starters are younger, newly qualified staff and rates of maternity leave in some teams are high.

There were already reported shortages in social care and health sector. However, an impact of Covid-19 is a significant movement of the workforce away from social care and health. As described above, fewer social workers are entering the profession than are leaving. The market is extremely competitive and there is no national pay structure in place in the sector (like there is for education). Other employers offer more competitive and attractive packages that the council cannot compete with.

At the same time, caseloads are becoming more complex and are increasing. There is a risk of people not being supported, or not being seen with the right intensity.

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Recruitment and retention challenges, together with more demanding cases and workloads, are impacting social care services' ability to deliver its statutory responsibilities; are placing increased pressure on remaining staff in the teams, negatively impacting their well-being and increasing levels of unplanned absence.

Failure of social care services to deliver its statutory responsibilities could result in:

- Death, injury or neglect to vulnerable citizens and their carers
- Legal challenge
- Financial damage
- Reputational damage
- Sanction by Regulatory Body

## Anticipated direction of travel:

This has been a static risk that consistently features in our corporate risk register. However, the impact of Covid-19, the continued pressures with recruitment and retention, the deterioration in the economy and the pressures people are facing, have all escalated this risk in terms of its inherent and residual risk scores. We will ensure continued extremely close management at the most senior operational, corporate and political levels of the council, and we continue to raise this risk at a national level.

## Impact / Consequences

- Individual(s) experience significant harm or death.
- Significant reputational loss.
- Possible intervention by Welsh Government or Care Inspectorate Wales.
- Legal/compensation costs.
- Poor staff well-being and sickness

## Inherent Risk

A1 – Critical Risk Almost certain / Very high impact

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## Controls to Manage Risk (in place)

In addition to the controls listed further below, CET has introduced a key actions log to aid monthly risk reviews. Please note this log is in draft.

Level	Action	Owner(s)	Latest update (narrative and date)
<b>Operational</b>	Line managers to closely manage staff and their workloads to ensure staff morale and health and well-being	Ann Lloyd, Interim Head of Service, Business Support Services  David Soley, Interim Head of Service, Operational Services  Rhian Morrle, Head of Children Services	
	Weekly meetings between line and middle managers and Heads of Service	Ann Lloyd, Interim Head of Service, Business Support Services  David Soley, Interim Head of Service, Operational Services  Rhian Morrle, Head of Children Services	

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<p><b>Operational</b></p>	<p>Operational decisions are informed by a risk-based assessment on a daily basis, prioritising for example, child protection</p>	<p>Ann Lloyd, Interim Head of Service, Business Support Services</p> <p>David Soley, Interim Head of Service, Operational Services</p> <p>Rhiain Morrllle, Head of Children Services</p>	
<p><b>Corporate</b></p>	<p>Safeguarding to be a standing item on CET agendas whereby this log and the risk register is to be reviewed every month</p>	<p>Nicola Stubbins, Corporate Director</p>	
<p><b>Corporate</b></p>	<p>Deliver actions of the Recruitment in Social Care Group</p>	<p>Nicola Stubbins, Corporate Director</p>	
<p><b>Political</b></p>	<p>Heads of Service to discuss safeguarding and recruitment and retention at their regularly 121 meetings with their Lead Members</p>	<p>All Heads of Service</p>	

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<p><b>Political</b></p>	<p>Cabinet at Cabinet briefing to review the risk register and the actions log every two months (agenda item or part of 'state of the nation'- TBC)</p>	<p>Councillor Gill German and Councillor Elen Heaton</p>	
<p><b>Political</b></p>	<p>Work with Welsh Government and WLGA, and other national bodies, to address issues we are unable to tackle at a local level, eg a national pay structure for social workers</p>	<p>Nicola Stubbins, Corporate Director</p>	

### Critical controls:

- Risk focus session for CET took place (October 17, 2022) urgently following the escalation of this risk and discussion at CET on October 13, 2022. CET agreed to develop a key actions log, which it will review every month. The log contains critical operational, strategic and political actions the council is undertaking to manage this risk.
- [Governance and Audit Committee received a report on October 4, 2022](#), about a Care Inspectorate Wales inspection. The report highlighted recruitment and retention challenges and the Committee was reassured that safeguarding was being managed as a critical risk on the council's corporate risk register and that steps were being taken to try to alleviate the situation.
- Meetings with Welsh Government have taken place to discuss the extent of our concerns and how the risk has escalated. We are having internal meetings involving

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CET, and with the Leader and lead members. There has been some future movement on a draft memorandum, which is being led by Social Care Wales.

- Ongoing discussions with HR are taking place and we are taking action as part of our efforts to resolve recruitment and retention issues in social care and health and more widely across council service ([see also controls for the recruitment and retention risk 48](#)). A new group has been established looking at recruitment issues in social care. This is chaired by Nicola Stubbins, who escalates issues, when appropriate, to CET. An action plan has been developed and is being delivered for social care workers. This includes a review of career grades. A new recruitment specialist has been created to support the delivery of the project plan.
- The Corporate Director presented the situation to the WLGA in September 2022. WLGA is gaining momentum in its work to support local authorities on this.
- 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 have asked other councils in North Wales how they are evaluating and managing any safeguarding risks on their corporate risk registers.
- We have responded 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.
- 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.

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- 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.
- 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



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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

Assurance:

- A report about recruitment and retention will be presented to Governance and Audit Committee in November 2022.
- A review of recruitment and retention will be undertaken by Internal Audit during January and March 2023.
- A follow up inspection “Assurance Check” was undertaken in Denbighshire by the Care Inspectorate Wales between June and July 2021. The follow up inspection highlighted improvements in safeguarding as well as some areas for further

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development. A report taken to [Governance and Audit Committee](#) on October 4, 2022.

- The North Wales Safeguarding Children Board Local Delivery Group, developed by Denbighshire, has been recognised as good practice.

### Residual Risk

A1 – Critical Risk Almost certain / Very 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 minor risk. The Risk Owner has confirmed 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 Gwyneth Ellis

**Risk Owner:** Steve Gadd

### **September update:**

The description, anticipated direction of travel and controls sections have been updated.

The action to “Gain approval the medium term capital strategy” has been extended to 31/12/2022.

A thorough consideration of this risk in light of recent economic events, and uncertainty over short to medium term projections, has taken place. The risk score has not changed.

### **Description**

The Local Government Settlement for 2022 to 2023 included indicative average settlement increases of 3.5% for 2023 to 2024 and 2.4% for 2024 to 2025 (estimated DCC figures would 3.3% and 2.2%). Although this was very welcome from a planning perspective it does indicate that difficult decisions will be required over the coming years. Since then however there have been a growing list of significant economic and demand pressures related to inflation (e.g. pay, energy), social care, waste budgets, benefits, the supply of goods and services in the supply chain (and the impact on our capital plan).

The economy has suffered several shocks in recent years. Leaving the European Union, Covid-19, war in Ukraine and increases in cost of living. Recent economic sanctions imposed on Russia have added further tension to the global economy. Cost of fuel, goods and services have increased and led to concerns around the level of inflation in the UK, prompting The Bank of England to increase base rates and predictions currently expect this trend to continue. Higher, or increasing, interest rates will place mounting pressure on businesses and communities across Denbighshire.

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The current projections of pressures indicate that pressures of £19m at least in each of the next two years will require funding. Even after taking into account an annual Council Tax increase of 3.8%, and the indicative RSG settlements eluded to above, shortfalls remain in excess of £8-9m in each year. Similar pressures are being experienced by other Welsh local authorities.

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.

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. The outlook has deteriorated significantly over the last six months, worsening over the last few weeks. The outlook for public bodies has worsened very recently, and we are expecting a return to austerity - at least in the near term. We continue to work closely with the WLGA and Welsh Government to ensure everyone is aware of the situation.

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## 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

## Controls to Manage Risk (in place)

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

Critical controls (newest first):

- The new Lead Member has agreed the continuation of existing financial management processes, which include the operation of the Budget Board.
- 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 continuing to implement the capital contingency budget, and seek approvals from the Budget Board.

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- The new budget process worked well last year and continues to be the model we use to deliver a balanced budget. 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.
- 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 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.
- 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.

### 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.

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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)
- 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: 31/12/2022**

**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):** Councillor Barry Mellor, Councillor Julie Matthews and Councillor Win Mullen-James

**Risk Owner:** Graham Boase

### **September update:**

Description and controls have been updated.

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 extreme heat, wild fires as well as flooding, 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, since March 1, 2022, we have been on a heightened level of alert in relation to cyber-attack.

In terms of terrorism, the current national threat level to the UK (England, Wales, Scotland and Northern Ireland) from terrorism is “substantial”.



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Public health events, such as Covid-19, put 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 will closely monitor this risk in relation to events in the Ukraine, together with our usual approach to managing severe weather, and should there need to be further management of Covid-19. We will review the risk once the new emergency planning response review, which will identify the council's senior responsible officer for emergency planning, 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

## **Controls to Manage Risk (in place)**

Critical controls (newest first):

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- We are reviewing emergency planning alongside our senior leadership restructure. This will identify the council's senior responsible officer for emergency planning going forward. In the meantime, the Corporate Director: Economy and Environment chairs 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 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. Covid-19 strategic management controls are have been stepped down.
- 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.

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- Vulnerable people mapping tool is in operation.
- 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.
- 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:

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

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(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

# Corporate Risk Register (September 2022)

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

**Lead Member(s):** Councillor Gwyneth Ellis and Councillor Jason McLellan

**Risk Owner:** Nicola Stubbins

### September update:

The description and controls have been updated.

The risk score has increased from D3 – Moderate Risk: Unlikely / Medium Impact to C3 – Moderate Risk: Possible / Medium Impact. This increase in likelihood is as a result of increased risks elsewhere (such as [risk 01](#)), and the anticipated critical feedback the social care and health sector across Wales, is likely to receive in coming months.

### 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. The follow up inspection highlighted improvements in safeguarding as well as some areas for further development. The interim management arrangements in Education and Children’s Services - noted as an issue - have 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

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consistent management and it is being managed closely. A report was due to be taken to [Governance and Audit Committee](#) on September 21, 2022, but has been cancelled while public meetings cease during a period of national mourning. The meeting will be rescheduled.

A further piece of work, this time focussed on children's services highlighted some issues, such as - once again - recruitment. CiW is currently undertaking a national study of child placements in unregulated settings. We will likely have an update on this in our next report.

A paper about Audit Wales's report about commissioning older people's care homes has been presented to Governance and Audit Committee. This was a national study that included a 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 risk to always feature in our corporate risk register, but one that may increase or decrease in line with other factors. This risk 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

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## 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). Information, studies and other reports are also published by other commissioners such as the Welsh Language Commissioner for Wales or the Older People's Commissioner for Wales.

Critical controls:

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

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- See the [description](#) for a detailed update on assurance reports.
- 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. CiW is currently undertaking a national study of child placements in unregulated settings.

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

**Lead Member(s):** Councillor Julie Matthews

**Risk Owner:** Steve Gadd

### **September update:**

The description and controls have been updated.

The risk score has not changed.

### **Description**

We have a small number of alternative service delivery models (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 was impacted by Covid-19 but Welsh Government provided significant financial support during Covid-19 restrictions to cover the significant loss of income (the income loss would have occurred regardless of the establishment of the ASDM). The year 2022 to 2023 will be the first year of Denbighshire Leisure Limited functioning without Covid-19 restrictions (at least none are anticipated as at September 2022).

Civica will be moved back in-house from late autumn 2022.

### **Anticipated direction of travel:**

Any income losses between 2021 and 2022 were been covered by the Covid-19 grant from Welsh Government. The year 2022 to 2023 will be the first year of Denbighshire Leisure Limited functioning without Covid-19 restrictions (at least none are anticipated as at September 2022). The risk will continue to be monitored but no significant issues have been raised so far.

# Corporate Risk Register (September 2022)

## 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.

## Corporate Risk Register (September 2022)

- Effective contract management arrangements are in place and appropriate monitoring is carried out throughout the life of the contract, including to ensure 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
- A register of all ASDMs was created some time ago.
- 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

## Corporate Risk Register (September 2022)

- FIN318a Ensuring efficient monitoring of the contract with Denbighshire Leisure Ltd, effective monitoring of the contract, ensuring financial sustainability
- 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.

## Corporate Risk Register (September 2022)

**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 Julie Matthews

**Risk Owner:** Steve Gadd

### **September update:**

The risk has been reviewed and the controls have been updated. The risk score has not changed.

### **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 had previously been heightened as a consequence of risks associated with Covid-19. The risk has been reviewed and is considered to be static.

### **Impact / Consequences**

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

### **Inherent Risk**

C2 – Major Risk: Possible / High Impact

# Corporate Risk Register (September 2022)

## Controls to Manage Risk (in place)

Critical controls (newest first):

- Covid-19 restrictions have been removed. Many staff continue to work from home some or most of the time. The New Ways of Working Project team, led by our Corporate Director: Communities, continues to monitor the situation. There may be risks associated with a potential lack of fire wardens and first aiders in the office buildings under these current working arrangements. This is being explored and any actions or solutions identified will be added to our controls.
- 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.
- 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.

## Corporate Risk Register (September 2022)

- Significant H&S related accidents, incidents and near misses are investigated internally.
- Schools have effective health and safety practices.

Relevant indicators of the effectiveness of controls:

- FINPROPHS1001 RIDDOR accident rate (National measure – No. of RIDDOR x 100,000 / No. of FTE employees)
- FAH123m The percentage of properties with asbestos where a re-inspection has been carried out in line with the asbestos management plan
- FAH119m The percentage of properties with a valid Fire Risk Assessment (*please note asbestos, fire, water, gas, electricity etc. are building compliance risks rather than health and safety risks, although failure to manage will have a health and safety impact*)
- Gas servicing, fixed wire testing and water hygiene are relevant indicators that are also monitored regularly

### 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 (September 2022)

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

**Lead Member(s):** Councillor Gwyneth Ellis

**Risk Owner:** Graham Boase

### September update:

The description and controls have been updated.

The risk score has not changed.

### 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.

A number of programmes and projects have been, or are still, facing delays as a result of Covid-19. Most recently, fuel and 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.”



## Corporate Risk Register (September 2022)

There are a range of Welsh Government and UK Government funding streams for some of our programmes and projects (eg 21<sup>st</sup> 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 was heightened in February 2022 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. With inflation and the recent interest rate increase, together with economic projections not looking favourable for some time to come, the risk score remains the same. Strong controls are in place. However, the risk remains outside 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:

- 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

## Corporate Risk Register (September 2022)

- 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):

- The content of the new Corporate Plan is being developed with officers and Members. This document will capture the ambition of elected members for their term of office. It will be put forward for ratification in October 2022.
- The development of the new Corporate Plan has been an opportunity for residents, businesses, councillors and partners to consider what to prioritise for the next five years, and we will put in place ambitious but deliverable plans.
- 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.
- 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.

## Corporate Risk Register (September 2022)

- 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 2017 to 2022 was reviewed at tranche and end of delivery reviews.
- Heads of Service assume responsibility for the implementation of new legislation, supported by the Strategic Planning Team where appropriate.

Ancillary controls (newest first):

## Corporate Risk Register (September 2022)

- 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

### 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.

# Corporate Risk Register (September 2022)

## 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 (September 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 Elen Heaton

**Risk Owner:** Nicola Stubbins

### **September update:**

The description and controls have been updated.

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.

A BCUHB 'Stronger Together' restructure is still planned and the current Chief Executive is retiring. 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.

## Corporate Risk Register (September 2022)

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. There are an increasing number of interim posts, and this is affecting decision making and there is some organisational memory loss.

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

As at September 2022, there is a great deal of focus on challenges in acute hospitals and delayed transfers of care.

### **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, which 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 (September 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 (newest first):

- 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 council will form part of two interview panels for two posts within the proposed structure.
- 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):



## Corporate Risk Register (September 2022)

- 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.
- NWWSIC 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 was [presented to Governance and Audit Committee](#) in March 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.

## **Corporate Risk Register (September 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):** Councillor Gwyneth Ellis

**Risk Owner:** Steve Gadd

### **September update:**

The description and controls sections have been updated.

The risk score has not changed.

The further action has been extended to 31/12/2022.

# Corporate Risk Register (September 2022)

## Description

The Local Government Settlement for 2022 to 2023 included indicative average settlement increases of 3.5% for 2023 to 2024 and 2.4% for 2024 to 2025 (estimated DCC figures would 3.3% and 2.2%). Although this was very welcome from a planning perspective it does indicate that difficult decisions will be required over the coming years. Since then however there have been a growing list of significant economic and demand pressures related to inflation (e.g. pay, energy), social care, waste budgets, benefits, the supply of goods and services in the supply chain (and the impact on our capital plan).

The economy has suffered several shocks in recent years. Leaving the European Union, Covid-19, war in Ukraine and increases in cost of living. Recent economic sanctions imposed on Russia have added further tension to the global economy. Cost of fuel, goods and services have increased and led to concerns around the level of inflation in the UK, prompting The Bank of England to increase base rates and predictions currently expect this trend to continue. Higher, or increasing, interest rates will place mounting pressure on businesses and communities across Denbighshire.

The current projections of pressures indicate that pressures of £19m at least in each of the next two years will require funding. Even after taking into account an annual Council Tax increase of 3.8% and the indicative RSG settlements eluded to above, shortfalls remain in excess of £8-9m in each year. Similar pressures are being experienced by other Welsh local authorities.

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. Decisions may become more challenging as the financial and economic environment becomes tighter.

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

## Corporate Risk Register (September 2022)

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.

### **Anticipated direction of travel:**

This risk remains outside of our risk appetite, and has the potential to worsen, as the scale of financial challenge has become clearer. The outlook for public bodies has worsened very recently, and we are expecting a return to austerity - at least in the near term.

Services have already made significant savings over the last 12 years and it is increasingly likely that further savings will result in reductions in service which will be more difficult to prioritise and deliver.

### **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 (September 2022)

## Controls to Manage Risk (in place)

Critical controls (newest first):

- The new Cabinet has agreed the continuation of existing financial management following elections in May 2022.
- 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 Budget Board is likely to be asked to consider some controversial suggestions going forward 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 (September 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:** 31/12/2022

**Person Responsible:** Steve Gadd

## Corporate Risk Register (September 2022)

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

**Lead Member(s):** Councillor Gwyneth Ellis

**Risk Owner:** Graham Boase

#### **September update:**

The description and controls have been updated.

The risk score has not changed.

#### **Description**

The current structure of the Senior Leadership Team was developed some time ago and was built on the strength and experience of current post holders. 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 was also great pressure on the Senior Leadership Team, who were managing services remotely through the pandemic, whilst trying to manage business as usual. Remote management continues as some staff continue to work from home. An SLT review is currently underway with the aim to put additional capacity in the SLT structure. An update will be available by our next formal review. See the controls section for more information.

Currently, three heads of service posts are filled on an interim basis (Community Support Services, Business Improvement and Modernisation and Highways and Environmental Services). Two Corporate Director posts have been filled, and have been in post since the beginning of September 2022.

#### **Anticipated direction of travel:**

## Corporate Risk Register (September 2022)

The recent increase in this risk in recent times is anticipated to be temporary, until such time the new structure is implemented and embedded. The risk remains within our risk appetite and is not expected to exceed it.

### 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 was 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. Corporate Director posts have now been filled, and have been in post since the beginning of September 2022. 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 in place.
- 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.



## Corporate Risk Register (September 2022)

- 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.

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 (September 2022)

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

**Lead Member(s):** Councillor Gwyneth Ellis

**Risk Owner:** Gary Williams

### September update:

The risk has been reviewed and 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.

### Impact / Consequences

- Financial loss.

## Corporate Risk Register (September 2022)

- 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 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.

## Corporate Risk Register (September 2022)

- 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
- BIM207i: The number of data protection breaches that were reported to the Information Commissioner's Office

## **Corporate Risk Register (September 2022)**

- 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 (September 2022)

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

**Lead Member(s):** Councillor Gill German and Councillor Elen Heaton

**Risk Owner:** Nicola Stubbins

### September update:

The description has been updated.

The risk score has not changed.

The further action due date has been extended to reflect the delays to the Ruthin extra care housing project.

### 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.

Following a previous review of this risk, last September in 2021, Welsh Government announced that it will fund the Real Living Wage (RLW) for registered social. This RLW funding was made available from April 2022 and our 2022 to 2023 care fees included the RLW. Whilst it is not the case that all eligible workers will have received 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.

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:

## Corporate Risk Register (September 2022)

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. As at September 2022, we are waiting for the RLW figure to be announced (due imminently). 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:

Critical controls:

- Conwy's Director is leading on the RLW work for ADSS Cymru so we are well informed and engaged across the region.

## Corporate Risk Register (September 2022)

- 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

### Residual Risk

C2 – Major Risk: Possible / High Impact



## Corporate Risk Register (September 2022)

### 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)

[The Denbigh extra care](#) scheme is fully open. The project in Ruthin has now started following some delays.

**Action Due Date:** 28/02/2024

**Person Responsible:** Ann Lloyd

## Corporate Risk Register (September 2022)

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

**Lead Member(s):** Councillor Gill German and Councillor Elen Heaton

**Risk Owner:** Nicola Stubbins

#### September update:

The description has been updated to reflect our concerns (notwithstanding our support for) interventions by Welsh Government to eliminate private profit from the care of looked after children.

The risk score has not changed. This continues to be a critical risk. However, our previous review had the inherent and residual scores the wrong way around. This has been rectified in this version. The risk remains outside of our risk appetite.

The further action includes an update on progress and the deadline has been extended in line with revised project milestones.

#### 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 still 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:

## Corporate Risk Register (September 2022)

- **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.
- **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. People are also making life changes with some leaving the sector altogether.

The risk is also heightened as a result of [risk 50](#). 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, and increases this risk that demand for specialist care cannot be met locally.

# Corporate Risk Register (September 2022)

## 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
- 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

A2 – Critical Risk: Almost certain / 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:*

- Cabinet members were involved in a discussion with senior officers about specialist care shortly after our February 2022 review.
- Implementation of Welsh Government's decision to fund the Real Living Wage (RLW) for registered social workers.
- Recruited a dedicated HR Social Care Specialist.

## Corporate Risk Register (September 2022)

- A 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.
- The silver health and social care Covid-19 group has been stood down.
- 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

## Corporate Risk Register (September 2022)

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 is 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.
- 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

## Corporate Risk Register (September 2022)

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
- 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 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

B2 – Critical Risk: Likely / High Impact

# Corporate Risk Register (September 2022)

## 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.

## Further Actions

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

Prior to the award of the contract, issues were raised regarding the identified contractor. Following a 'due diligence' process, Conwy County Borough Council (who are leading on the project), with full support of Denbighshire Officers, did not award the tender. Internal processes are now being followed to again tender the construction of the project. It is believed that a recent change in funding timescales will assist in the tender process. Welsh Government remain supportive of the project aims.

**Action Due Date:** 31/03/2024

**Person Responsible:** Rhiain Morrle



## Corporate Risk Register (September 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 Jason McLellan

**Risk Owner:** Emlyn Jones

### **September update:**

The inherent and residual risk scores have been increased to reflect the recent increase in interest rates, and economic turbulence more generally. The inherent risk score has increased from B1 – Critical Risk: Likely / Very High Impact to A1 – Critical Risk: Almost certain / Very High Impact. The residual score has increased from C2 – Major Risk: Possible / High Impact to B2 - Critical Risk: Likely / High Impact and the risk is outside of our risk appetite.

The description, impact and controls sections have all been updated. Given the economic turbulence globally, we will need to keep this risk under close management.

### **Description**

The economy has suffered several shocks in recent years. Leaving the European Union, Covid-19, war in Ukraine and increases in cost of living. Recent economic sanctions imposed on Russia have added further tension to the global economy. Cost of fuel, goods and services have increased and led to concerns around the level of inflation in the UK, prompting The Bank of England, in August 2022, to increase the base rate to 1.75% from 1.25%.

This risk is about “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”. It is currently difficult to predict what will happen with the interest rate although it is widely expected that it remain stay higher than the historically

## Corporate Risk Register (September 2022)

low rates of the last few decades, for some time. Higher, or increasing, interest rates will place mounting pressure on businesses and communities across Denbighshire.

Our controls bring together a range of support and targeted interventions to alleviate the situation as it is currently, and these incorporate actions related to cost of living, leaving the EU and post-Covid recovery.

### EU exit:

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 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

## Corporate Risk Register (September 2022)

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.

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:**

Controls have established clear lines of communication and information sharing that has been critical during a long period of uncertainty. Levelling Up and the Shared Prosperity Fund are developing and will be very important controls to reduce the impacts of this risk. It is difficult to project how the economy will behave over the next six months and beyond. Strong mechanisms are in place to allow ongoing monitoring of the risk as a result.

## Corporate Risk Register (September 2022)

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.

### 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.
  - 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.

# Corporate Risk Register (September 2022)

## Inherent Risk

A1 – Critical Risk: Almost certain / Very High Impact

## Controls to Manage Risk (in place)

Critical controls:

- UK financial support is expected but packages of support have not yet been agreed.
- We are planning to host, in partnership with DVSC and others, two day events focussed on cost of living around October 2022. The first day will likely be targeted at the general public (residents and businesses) and professionals, with a range of stalls offering information about support and other services. The purpose will be to raise awareness about what's on offer for people's personal knowledge and for professionals in their day to day roles supporting households and businesses. The second day will take a more traditional conference format with a focus on professionals and community advocates. This will take more of an emergency planning approach to discussing what practical help is needed now.
- We are implementing Welsh Government's [Cost-of-living Support Scheme](#); a support package that will provide a payment to households to help with the rising costs-of-living. The payments (£150) are not taxable and will not affect any entitlement to Welfare Benefits. This scheme is in place alongside others, such as the roll out of universal free school meals, council tax reduction, winter fuel support fund, [business rate relief](#) and Welsh Government's discretionary assistance fund. All information is on our [website](#).
- We are hoping to launch grant support for business owners to maintain their properties and reduce neglected business premises and prevent eyesores. The fund is supported by Welsh Government in addition to the town centre loan scheme already on offer.
- Our regulatory role in relation to businesses is no longer focussed on Covid-19 regulations and is back to its business as usual operation, supporting businesses generally through this difficult time.

## Corporate Risk Register (September 2022)

- UK Government Funding: Levelling Up and Shared Prosperity Funding is focussed on addressing issues outstanding after the end of EU funded programmes (capital and revenue funding).
  - One Levelling Up bid has been successful and two are in progress. If we are successful in all three bids it will attract in the region of £35m investment into the county.
  - The Regional Investment Plan for the Shared Prosperity Fund plan has been produced. 29 interventions across the three pillars (People & Skills, Supporting Local Business, and Communities & Place) effectively describe the scope of eligible activity. Governance arrangements are being established. Potentially £21.2m could be allocated to Denbighshire over three years.
- 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.
- The Tackling Poverty Operational Group (DCC and Partners) is still in place and meets to highlight and address issues as they arise. It was initially set up to focus on the rollout of Universal Credit but now has a broader focus.
- WG Funding – eg Families First, Flying Start, Communities for Work etc
- 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.

## Corporate Risk Register (September 2022)

Ancillary controls (newest first):

- We submitted evidence about the Social Partnership and Public Procurement (Wales) Bill to the Equality and Social Justice Committee's Inquiry in July 2022. Preparatory work will be needed to support and mobilise the local supply chain to ensure it is well-positioned to fulfil the requirements of the Bill, once in statute. The local supply chain, especially smaller businesses, will require some form of capacity building to fully understand social value, particularly within tenders where the social value response will need to be evaluated. It will be necessary to ensure consistency of message and support, and to share best practice in relation to supporting small and medium-sized businesses to become compliant and fully embrace the ethos of the Bill.
- 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.
- 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.

## Corporate Risk Register (September 2022)

- 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

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.



## Corporate Risk Register (September 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 Jason McLellan

**Risk Owner:** Nicola Stubbins

### **September update:**

The description has been updated with the latest position. The controls have been updated.

The risk score has not changed but the risk is considered to be within our risk appetite.

### **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 time we expect it will take for the employment rate to recover, poverty and destitution, with

## Corporate Risk Register (September 2022)

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.

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

## Corporate Risk Register (September 2022)

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 being developed in the context of local need and regional priorities. A detailed engagement and well-being assessment to assess need in the local area is currently being consulted on. These

## Corporate Risk Register (September 2022)

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 PSB's draft Well-being Plan has undergone formal consultation, including with the Well-being of Future Generations Commissioner. The Plan is due to be approved by PSB in November 2022, after which formal agreement will be sought from statutory partners. The draft plan had one area of focus: Conwy and Denbighshire to be a more equal place with less deprivation.
- 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.

<b>Collaborative partnership</b>	<b>Collaborative plan/strategy</b>
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:

## Corporate Risk Register (September 2022)

- 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:

- 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 Well-being of 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?

Yes. On the basis now, that this risk fits within our open risk appetite in relation to operational and policy delivery.

## Corporate Risk Register (September 2022)

### **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):** Councillor Gill German

**Risk Owner:** Geraint Davies

#### **September 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. However, given provisions came into force one year ago, the high assurance from the recent early review by Internal Audit, and planned scrutiny by Performance Scrutiny Committee, we recommend this risk is de-escalated and managed by the Service. Should the risk increase at any point, it can be escalated back to the corporate risk register for Cabinet and SLT intervention.

#### **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 provisions of the Act came into force in September 2021.

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

## Corporate Risk Register (September 2022)

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.

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).

Following clarification from Welsh Government around some aspects of the ALN Code, including Elective Home Education and Looked After Children, we are working through the Code to ensure appropriate policies and procedures are in place.

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

This risk was 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). However, given provisions came into force one year ago, and the high assurance from the recent early review by Internal Audit, and planned scrutiny by Performance Scrutiny Committee, we recommend this risk is de-escalated and managed by the Service. Should the risk increase at any point, it can be escalated back to the corporate risk register for Cabinet and SLT intervention.

### **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

## Corporate Risk Register (September 2022)

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 are now 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 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 [paper](#) was presented to Performance Scrutiny Committee on July 14, 2022. The Committee has requested an updated report in the summer of 2023.
- A position update paper was presented to SLT in February 2022. This paper set out, 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.
- A comprehensive training programme is ongoing.
- 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



## Corporate Risk Register (September 2022)

average budget were presented to the School Budget Forum in July 2022 and agreed.

- 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. The strategy to review provision is currently in development, though not completed.
- 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. This is a working document that was shared with schools, and is currently being refined before re-sharing with schools (on Sharepoint).
- 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.

## Corporate Risk Register (September 2022)

- 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
- 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:

- A [paper](#) was presented to Performance Scrutiny Committee on July 14, 2022. The Committee has requested an updated report in the summer of 2023.
- [Internal Audit early review: Additional Learning Needs \(ALN\) Implementation](#) – February 2022 (High Assurance / Number of Risk Issues: 0)
- 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.

# Corporate Risk Register (September 2022)

## 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, should the risk occur, is anticipated to remain medium or high.

## Corporate Risk Register (September 2022)

### **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):** Councillor Barry Mellor

**Risk Owner:** Emlyn Jones

#### **September update:**

The senior responsible owner of the project and therefore the owner of this risk has changed and is now Head of Planning, Public Protection and Countryside Services. He will continue to work closely with the Interim Head of Environmental Services, together with service managers.

The description of the risk has been updated.

When this risk was first identified and developed, our intelligence about the ash tree population was very limited. Following our risk-based approach to inspections, we have developed a much clearer view of the ash tree population and are dealing with those trees where remedial action needs to be taken more urgently. On the basis of better intelligence, we have re-evaluated and adjusted both the inherent and residual level of risk. The inherent risk has been re-categorised from A1 – Critical Risk: Almost certain / Very high impact to B1 – Critical: Risk Likely / Very high impact. The residual risk has decreased from B2 – Critical Risk: Likely / High impact to C2 – Major Risk: Possible / High impact. The risk remains outside of our risk appetite.

The due date for completion of further action number 1 has been extended to reflect a loss in personnel. An additional further action has been agreed: “2. Seek clarification about the council’s legal responsibilities and duties in relation to ash trees on private land”.

#### **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.

## Corporate Risk Register (September 2022)

As time is progressing, we are developing a better view of the scale of the issue. 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. More than 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 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. Now in year 2 of the project, we are returning to some of the areas identified as problematic, as well as other areas of land, to review the position now.

The Project Manager has been off work for some time and that post has been covered by one of the existing tree inspectors. Once the substantive Project Manager is back in post, we will return to having three inspectors and will continue to work through a programme of inspections. The project has therefore faced some delays and this is reflected in the timescales for the draft action plan.

We are still working to deliver a draft ADB action plan and have extended the deadline to the end of this financial year to reflect the capacity issues we have been facing. The draft will then progress through the scrutiny and political process.

The draft ADB Action Plan will cover a number of issues, including how we plan to deal with trees not owned by DCC (we have also agreed a new further action below to reflect this), 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:**

When this risk was first identified and developed, our intelligence about the ash tree population was very limited. Following our risk-based approach to inspections, we have developed a much clearer view of the ash tree population and are dealing with those trees where remedial action needs to be taken more urgently. On the basis of better intelligence we have re-evaluated and adjusted both the inherent and residual level of risk.

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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 over the next 5 to 10 years, 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.
- Political and reputational impact.
- Reduced carbon absorption due to a loss of trees.

### **Inherent Risk**

B1 – Critical Risk Likely / 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 (newest first):

- Ash Dieback Board met last in August 2022

## Corporate Risk Register (September 2022)

- This risk was discussed by CET as part of a risk deep dive session on 7<sup>th</sup> 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 2023, 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 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

## Corporate Risk Register (September 2022)

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:

- Internal Audit Review Risk Management 2021

### 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. 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. Once our action plan is agreed and starts to be delivered (the action plan will be a 5-10-year effort), we would expect to see the residual risk reducing and brought closer to within our risk



# Corporate Risk Register (September 2022)

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:** 31/03/23

**Person Responsible:** Emlyn Jones

### 2. Seek clarification about the council's legal responsibilities and duties in relation to ash trees on private land

**Action Due Date:** 31/03/23

**Person Responsible:** Emlyn Jones

## Corporate Risk Register (September 2022)

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

**Lead Member(s):** Councillor Barry Mellor

**Risk Owner:** Nicola Kneale

#### **September update:**

Controls have been updated, including links to indicators and assurance.

The action to “Ensure all of SLT, including any new members, attend one-day carbon literacy training” has been extended in light of the anticipated restructure at SLT and to reflect the current interim heads of service. A new action to roll out ecological literacy training in the spring 2023 has been added.

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. Following positive feedback from Audit Wales on our programme management and organisational ambition on this agenda we are reassured that we have a well-scoped action plan in place. This risk will require close and very regular management to ensure controls are working as intended. We previously expected the likelihood to reduce, although the impact is anticipated to remain high. However, a national report about the public sector’s response more generally, to becoming carbon neutral by 2030, broadly says organisations need to be bold and take risks if they are to stand a chance of meeting this ambitious target. We have committed to reviewing our programme after two years (see further action below). At that point we will probably

# Corporate Risk Register (September 2022)

need to increase momentum, make bolder decisions and be prepared to tolerate greater risks in order to become net carbon zero.

## 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):

- We are developing a programme for 2023 and 2024, including recruiting a procurement business partner to reduce emissions in our procurements. Other roles being explored will largely be expansions of existing roles and teams.
- 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. A national report about the public sector’s response more generally, to becoming carbon neutral by 2030, broadly says organisations need to be bold and

## Corporate Risk Register (September 2022)

take risks now if they are to stand a chance of meeting this ambitious target. At the point our review, we will probably need to increase momentum, make bolder, braver decisions and be prepared to tolerate greater risks in order 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
- 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)

## Corporate Risk Register (September 2022)

- 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:

- 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.

## **Corporate Risk Register (September 2022)**

### **Further actions:**

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

**Action Due Date:** 31/03/2023

**Person Responsible:** Jane Hodgson

- 2. New action: Roll out ecological literacy training in the spring 2023**

**Action Due Date:** 31/03/2023

**Person Responsible:** Jane Hodgson

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

**Action Due Date:** 31/03/2023

**Person Responsible:** Jane Hodgson

# Corporate Risk Register (September 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):** Councillor Jason McLellan

**Risk Owner:** Gary Williams

### **September update:**

The description and anticipated direction of travel have been updated with the latest position.

The risk score has not changed.

This risk is being recommended for removal, potentially to be managed elsewhere, in relevant service risk registers should it still be considered a risk.

### **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 became “operational” in June 2022, but detailed arrangements are still being discussed and explored in line with

## **Corporate Risk Register (September 2022)**

the long term nature and focus of the CJC. 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 that there is insufficient clarity, time and engagement to capitalise on these opportunities. There is a risk that the council puts in a lot of effort but doesn't receive a proportionate return on investment, or a risk of reduced local oversight. Conversely, there is also a risk that the CJC is not used to maximum benefit.

### **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 should be re-evaluated by Cabinet at Cabinet Briefing before it being removed from the risk register. 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:



## Corporate Risk Register (September 2022)

- 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)
- 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.
- CJC's 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 (September 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):** Councillor Julie Matthews

**Risk Owner:** Graham Boase

### **September update:**

The controls have been updated. Planned assurance has been added to our controls.

While pressures in relation to recruitment and retention in social care and health in particular, are acute the risk level across the organisation and across all services remains the same as it was in February 2022 and so the risk score has not changed.

### **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.

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.

## Corporate Risk Register (September 2022)

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 1](#) and [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. We had anticipated that this risk – in terms of for the whole council – would reduce in the medium term but this looks uncertain. Our hope is that this risk will reduce and can 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
- 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

# Corporate Risk Register (September 2022)

- Individual(s) experience significant harm or death.

## 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. An action plan has been developed and is being delivered for social care workers. This includes a review of career grades. A new recruitment specialist has been created to support the delivery of the project plan.
- 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 (September 2022)

- 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.

### Ancillary control (newest first):

- A Corporate Business Continuity Group (CBCG) exists and services should all update business continuity plans regularly.

## Corporate Risk Register (September 2022)

- 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

Assurance:

- A report about recruitment and retention will be presented to Governance and Audit Committee in January 2022.
- A review of recruitment and retention will be undertaken by Internal Audit during January and March 2023.

# Corporate Risk Register (September 2022)

## Residual Risk

B3 – Major Risk: Likely / Medium Impact

### **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 (September 2022)

**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):** Councillor Gill German and Councillor Jason McLellan

**Risk Owner:** Nicola Stubbins

### **September update:**

All sections have been updated to reflect the latest position in relation to the Shared Prosperity Fund. The residual risk score has been reviewed and has decreased from A2 – Critical Risk: Almost Certain / High Impact to C3 – Moderate Risk: Possible / Medium Impact. The risk is back within our risk appetite.

### **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 ceased at the end of the 2021-22 academic year. This risk was identified at a point in time when funding from the ESF was expected to be replaced by a UK Shared Prosperity Fund.

### **Anticipated direction of travel:**



## Corporate Risk Register (September 2022)

EU funding has ceased. We previously had low level confidence that some funding will be available. We were confident, given our explicit intention to support vulnerable young people and learners in the Regional Investment Plan (see controls), that this risk could be removed as the Shared Prosperity Fund and the Regional Investment Plan are implemented. However, continued and worsening economic pressures has resulted in a less certain outlook for this risk. It will remain on the corporate risk register until such time funding is confirmed.

### 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. 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.

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
- 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

# Corporate Risk Register (September 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.

## Inherent Risk

A2 – Critical Risk: Almost Certain / High Impact

## Controls to Manage Risk (in place)

Critical controls (*most recent first*):

- Levelling Up and Shared Prosperity Funding is focussed on addressing issues outstanding after the end of EU funded programmes (capital and revenue funding).
- The Regional Investment Plan for the Shared Prosperity Fund plan has been produced. 29 interventions across the three pillars (People & Skills, Supporting Local Business, and Communities & Place) effectively describe the scope of eligible activity.
- We are 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.
- The Plan is explicit about our intention to continue to support this group of young people. We are awaiting feedback from Welsh Government; an announcement is expected in October 2022.
- Potentially £21.2m could be allocated to Denbighshire over three years. Each county will decide how its money is spent. Governance arrangements are being established, and include the creation of a partnership group, to inform and shape decisions around local investment.
- The Budget Board agreed, in February 2022, to temporarily fund the continuation of the project, at risk, in anticipation of a positive announcement about the Regional Investment Plan being made this year. It is expected that we will be able to claim the money back.
- A report (“TRAC and the risks exposed by the conclusion of ESF”) was discussed by SLT in October 2021.

## Corporate Risk Register (September 2022)

- The council put in place interim arrangements for managing the Community Renewal Fund for 2021 to 2022.

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.
- 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

C3 – Moderate Risk: Possible / Medium Impact

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

Yes

## Corporate Risk Register (September 2022)

### **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):** Councillor Gill German and Councillor Elen Heaton

**Risk Owner:** Nicola Stubbins

#### **September update:**

The risk has been reviewed and no changes were made.

#### **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.

This risk is closely linked to [risk 34](#) (the risk that demand for specialist care cannot be met locally).

#### **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.

# Corporate Risk Register (September 2022)

## 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.
- 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.

# Corporate Risk Register (September 2022)

## Residual Risk

C3 – Moderate Risk: Probable / Medium 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, yes.