



Appendix 2

Corporate Risk Register – February 2025

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Corporate Risk Register (February 2025)

February 2025 Review 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 Elen Heaton, Councillor Diane King, and Councillor Julie Matthews

Risk Owner: Nicola Stubbins

February 2025 update:

Risk reviewed and updated.

It continues to feel appropriate to keep the residual risk score at A1 – Critical Risk Almost Certain and Very High Impact.

Keeping the risk score at this level enables the risk to be further prioritised and escalated with significant scrutiny continuing at CET, Cabinet and Governance & Audit Committee (GAC). In addition to the controls listed further below, CET and Cabinet will review as and when by exception at their monthly meetings.

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 February 2025, we remain 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.

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:

The impact of Covid-19, the continued pressures with recruitment and retention, the deterioration in the economy and the pressures people are facing, all escalated this risk in terms of its inherent and residual risk scores, with the overall risk score being heightened to its maximum level in September 2022. Since the situation has not improved. 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

Controls to Manage Risk (in place)

In addition to the controls listed further below, CET and Cabinet will review as and when by exception at their monthly meetings.

Critical controls:

- The joint inspection of the multi-agency response to keeping children and young people safe in Denbighshire was published May 2023.
 - The report outlined findings about the effectiveness of partnership working and of the work of individual agencies in Denbighshire and found in common with many areas across Wales, challenges in recruitment and retention of staff across key agencies in Denbighshire is impacting on safeguarding

children's arrangements. This is made more difficult by the high levels of demand and increasing complexity of children's needs.

- Due to a lack of social workers, there is a growing reliance on newly qualified and agency social workers. In the local authority, the situation has been categorised as a corporate high risk.
 - They found there are systems and relationships in place to facilitate effective partnership working where a child is at risk of harm. Partners are working to a shared ethos of safeguarding children at different levels of vulnerability. Organisational leaders have a shared vision with a positive approach to regional safeguarding arrangements.
 - This clear strategic commitment has resulted in the commissioning of a sufficient range of effective local services to support children and families.
-
- This was a new multi-agency inspection by four regulators and was the first in Wales to be carried out.
 - The first risk focus session for CET took place on October 17, 2022 following the escalation of this risk and discussion at CET on October 13, 2022. CET agreed to focus on progress in relation to key actions, which it now discusses every month by exception. The actions under review bring together the critical operational, strategic and political actions the council is undertaking to manage this risk.
 - Cabinet now receives monthly verbal updates at Cabinet Briefing, from Lead Members, the risk owner and Heads of Service by exception.
- [Performance Scrutiny Committee](#) and Governance and Audit Committee received reports on the November 2024 risk review. To follow up on previous lines of enquiry at Governance and Audit - and to support discussions related to the interconnected nature of this risk with other risks contained within this register - a report on recruitment and retention issues in Social Services was submitted as an information report.
- [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 CET, and with the Leader and lead members. There is now a memorandum about children's agency workers, and is being led by All Wales Children's' Heads of Service, and is being adhered to.
- We have set the care fees to ensure that providers can pay their social care staff the Real Living Wage. Although the Welsh Government settlement notification states that they have included funding to enable authorities to continue to meet the additional costs of introducing the Real Living Wage for care workers, the total Revenue Support Grant fell well short of funding all pressures within social services so the commitment remains a pressure for the Council.
- 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).
- The Corporate Social Care Recruitment & Retention Board has been stepped down and work is continuing – any outstanding actions are being pursued by the Corporate Director as usual business.
- The Corporate Director and Lead Members continue to raise this issue with the WLGA and WG.
- 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:

- 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.
- Safeguarding policy and procedures are in place. The Corporate Safeguarding Policy has been reviewed and updated in line with 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.
- The Corporate Director Social Services and Education is the new Chair of the North Wales Safeguarding Adults Board.
- 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 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 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 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 Wales Safeguarding Procedures.

Relevant indicators of the effectiveness of controls:

- CSP102m: The percentage of eligible staff that have an up-to-date DBS (DCC)
- CSP103m: The percentage of eligible staff that have an up-to-date reference check or risk assessment (DCC)
- CSP104m: The percentage of eligible staff that have an up-to-date DBS (schools)
- CSP105m: The percentage of eligible staff that have an up-to-date reference check or risk assessment (schools)

- CPCSP47i Percentage of employees that have completed all 10 mandatory e-learning modules (including Safeguarding) by the end of the year (excluding schools)

Assurance:

- A joint inspection of the multi-agency response to keeping children and young people safe in Denbighshire was published May 2023.
- Corporate Support Services: People took a report on Workforce Planning, Recruitment & Retention to Performance Scrutiny in July 2023.
- Senior Leadership : All recruitment to the vacant Head of Service posts have now been completed with the following appointments and start dates:
Head of Adult Social Care & Homelessness Services – commenced post 1st July 2023
- In summary, the report confirmed that Human Resources (HR) have robust HR initiatives and strategies in place to support the Corporate Workforce Plan. The development of some policies and guidance has been delayed due to vacancies within the team and workload pressures, however these have now revised completion dates.
- A Corporate Recruitment and Retention paper was presented to January 2023 Governance and Audit Committee, which included aspects of social care issues.
- This risk is a standing item on Cabinet Briefing and Corporate Executive Team monthly meetings.
- The North Wales Safeguarding Children Board Local Delivery Group and Adult Local Delivery Group continue to meet and influence policy and 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.

Risk 11: The risk of an unexpected or unplanned serious event occurring

Lead Member(s): Councillor Julie Matthews (Lead Member for Emergency Planning)

Risk Owner: Graham Boase

February 2025 update:

Risk reviewed and updated.

The residual risk score remains unchanged as:

C3 – Moderate Risk: Possible / Medium Impact.

Description

Serious unexpected and unplanned events can occur at any time, and are planned for and responded to via our strategic corporate approach to emergencies.

Emergency Planning in North Wales is coordinated by the North Wales Councils Regional Emergency Planning Service, the host authority for which is Flintshire County Council.

The Region has an agreed Emergency Management Policy and the Council has its own Major Emergency Arrangements Procedure.

We have in place a Strategic Emergency Management Team (SEMT) structure which (i) plans and prepares the Council for an emergency and (ii) coordinates the Council's response to a significant emergency. SEMT is Chaired by the CEO and meets quarterly to review plans and preparations/responses to an emergency. There are 4 sub-groups under the SEMT, each one Chaired by a senior Officer; (i) Corporate Emergency Information Team (ii) Corporate Emergency Humanitarian Response Team (iii) Corporate Emergency Operational Team and (iv) Corporate Emergency Recovery Team.

In addition Corporate Executive Team (CET) are on a 24/7 Gold Rota, so a Senior Officer is always available to lead on an emergency. In the event of an emergency the Senior Officer on call via the Gold Rota will initially coordinate the Council's response, including

considering calling an SEMT meeting. Depending on the circumstances of the emergency the Chief Executive Officer (CEO) is likely to take overall strategic control.

All emergency arrangement are supported by the regional team, including working with partners, and any regional dimension to the emergency.

The Senior Lead Officer (i.e. Gold Rota lead) will need to consider the role of the Lead Member, Cllr Julie Matthews in any emergency, as well as how best to inform other relevant Lead Members, Cabinet as a whole and the wider Membership of the Council.

Heads of Service have responsibility to plan for Service response to emergencies e.g. seasonal variations in weather, other environmental related emergencies relating to food, water, air quality etc, cyber-attacks, terrorism, and of course viral pandemics and public health events such as Covid.

Major emergencies put terrific strain on organisations such as ours, impacting on service delivery, staff capacity, and of course finances. It also challenges the resource capacity of partners.

Our approach to this risk is to strategically plan to minimise the impact of an unplanned event should it occur.

Anticipated direction of travel:

We expect this to be a 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.

Impact / Consequences

- Serious injury or fatality
- Significant disruption to core services.
- Reputational risk to the council in the way it responds to any emergency
- Significant cost pressures to our budget.

Inherent Risk

A2 – Critical Risk: Almost Certain / High Impact

Controls to Manage Risk (in place)

Critical controls (strategic relevance):

- Bi-annual reviews of the DCC Corporate risk register against the Regional Emergency Planning Service risk register
- The North Wales Councils Regional Emergency Planning Service, provides a high level of support in terms of planning for and responding to an emergency
- The strategic approach via SEMT, the associated sub groups, the Gold Rota and individual Service planning (including Service Business Continuity Plans) ensures we are prepared for an unexpected or unplanned serious event.
- Close regional partnership working
- Emergency Planning training and mock events.

Ancillary controls:

- An annual Emergency Planning Response report is taken to SLT, the Lead Member and Partnerships Scrutiny, as requested, every year.
- We undertake regular reviews to ensure ICT systems are secure, including making updates to our Firewall.
- We have a vulnerable people mapping tool to help us identify those that require specific support in an emergency.
- Deputies for Chairs of SEMT and subgroups have been appointed.
- Seeking more volunteers to be loggists to support record taking during an emergency
- Guide for Members in terms of their role during an emergency

Relevant indicators of the effectiveness of controls:

- PDA904i 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.

(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

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

Lead Member(s): Councillor Jason McLellan

Risk Owner: Gary Williams

February 2025 update:

Risk reviewed and updated.

We expect this risk to always feature in our corporate risk register, but one that may increase or decrease in line with other factors, for example the financial environment.

The risk has been reviewed and the residual risk score remains as C3 – Moderate Risk: Possible / Medium Impact

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.

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.

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.

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.

A recent CIW inspection of Dolwen Care Home was very positive.

An inspection report was received regarding the Joint Youth Justice Service of Conwy and Denbighshire. The report highlighted problems in partnership working at a strategic level but was positive about the work of staff within the service.

Audit Wales in the ARA stated that the position regards the certification of the Council's Statement of Accounts (SofA) is being kept under review for impact on their opinion. Currently they are satisfied that the 2022/23 and the 2023/24 SofA have not been certified relates to isolated historical fixed assets accounting issues that do not affect their opinion, and that the Council is working to resolve the issues.

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, for example the financial environment. 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

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) Public Services Ombudsman, NRW (Natural Resources Wales). Information, studies and other reports are also published by other commissioners such as the Welsh Language Commissioner for Wales, the Children's and Older People's Commissioners for Wales and the Well-being of Future Generations Commissioner for Wales,.

Critical controls:

- SLT, Estyn, CIW and Audit Wales hold an annual Audit Risk Assessment meeting to reach consensus on the regulatory inspections to take place throughout the year.
- SLT on 2nd February 2024 received this year's Joint Audit Risk Assessment setting out the programme of assurance planned for the year ahead. The report included the priorities of the inspectorates, and their intentions at a national and local level to identify strengths and areas of concern. The issues identified within the report affect all local authorities across Wales and nothing was raised as a specific local concern regarding Denbighshire. Estyn highlighted some local concerns but these are issues we are already aware of and managing.
- A joint Inspectorate Review of Child Protection Arrangements (JICPA), involving Care Inspectorate Wales (CIW), Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), Healthcare Inspectorate Wales (HIW), and Estyn, was undertaken in Denbighshire during the week commencing 6th February 2023.
- We maintain positive and proactive relationship management and ongoing communication with external regulators. We have healthy and open relationships with our regulators.

- The corporate performance management framework (PMF) is the main control in this area.
- Head of Corporate Support Services: Performance, Digital & Assets, Insight, Strategy & Delivery Manager and Chief Internal Auditor meet monthly with Audit Wales to understand and respond to their concerns.
- Regulators sit on Service Performance Challenges as agreed appropriate with the regulatory body.
- Protocol developed for addressing recommendations from Audit Wales national studies: services' response will be the subject of performance scrutiny and service challenge.
- Procurement controls in place to minimise risk of Environment Act (2016) breaches through contracted construction work.

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.
- Annual Governance Statement and Annual Self-Assessment are aligned.

Relevant indicator of the effectiveness of controls:

- CH012i: The cumulative number of negative reports from external regulators, financial year to date

Assurance:

- The joint inspection of the multi-agency response to keeping children and young people safe in Denbighshire was published May 2023. ([Links to Risk 01](#))
- 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

Further actions:

Explore the following process changes with the procurement department:

- Ask potential suppliers about any recorded breaches of environmental law
- Include consideration of supplier's record of breaches in the selection process for contractors
- Review the standard contracts DCC offers suppliers to reduce risk of breaches occurring and to indemnify the council from any penalty for such breaches.

Action Due Date: March 2025

Person Responsible: Climate Change Manager

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: Gary Williams

February 2025 update:

Risk reviewed and updated.

SLT “deep dive” session was held on 3rd April 2025 and the Inherent Risk score amended from C2 – Major Risk: Possible / High Impact to B2 – Critical Risk: Likely/High Impact.

The Residual Risk score remains as E2 – Moderate Risk: Rare / High Impact

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 at this time is considered to be static.

Impact / Consequences

- A work related fatal or major injury to an employee, or any other person directly affected by the Organisation’s activities.
- Enforcement actions by Regulators, up to and including the criminal prosecution of the Organisation and/or employees, resulting in substantial fines for breaches of legislation and legal costs.

- Civil proceedings against the Organisation for personal injury, loss or damage resulting in significant payments for damages and legal costs.
- Direct costs associated with the temporary or permanent loss of a building or facility e.g. fire, structural damage.
- Indirect costs: emergency expenditure, uninsured losses, unplanned additional labour costs, unplanned additional resources, lost staff time, loss of or disruption to services provided.
- Significant reputational damage to the Organisation.

Inherent Risk

B2 - Critical Risk: Likely/High Impact

Controls to Manage Risk (in place)

Critical controls:

- Dedicated health and safety team within Corporate Support Services: People that are responsible for elements for building safety.
- Respond to scenarios and issues appropriately as and when they are highlighted/occur eg Reinforced Autoclaved Aerated Concrete (RAAC)
- Adequate number of fire wardens and first aiders in the office building which is monitored.
- Strategic leadership is provided by the Corporate Director: Governance and Business, with delegated responsibility for Health and Safety.
- Competent H&S advisors are employed by the organisation to provide competent advice, guidance and training on H&S to all Council employees and services.
- H&S maintain Service Level Agreements with all Local Authority Schools.
- A [Corporate Health, Safety and Welfare Policy](#) (revised January 2025) 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 programme 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 programme of targeted monitoring
- An online accident, incident reporting process is in place. There is an expectation that all accidents and incidents are reported.
- An online Staff Protection Register where staff can search for or request the addition of records in connection with their authorised activities. All access requests are monitored by the system and records of all access is recorded by the system for auditing purposes.
- Health & Safety Newsflashes are issued if any urgent health and safety topic needs to be communicated to all staff.

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.
- An established Corporate H&S Committee is in place as part of the Joint Consultative Committee for Health and Safety and Employee Relations which is a forum for the employer and employee representatives to discuss and consult on H&S.
- Three Directorate H&S Committees meet on a quarterly basis.
- A number of service level H&S committees meet to provide a forum for service managers and employee representatives to discuss and consult on H&S.
- Significant H&S related accidents, incidents and near misses are investigated internally.
- Schools have effective health and safety practices.

Relevant indicators of the effectiveness of controls:

- Progress against the CH&S Workplan CSPH&S1a
- Total number of reported accidents and incidents (A/I's) injuries.
- Number of work-related fatalities.
- Number of major specified injuries (and other RIDDOR reported categories)

- Number of minor injuries (and other reported A/I categories).

Assurance:

- Annual Corporate Health & Safety Report reported to Governance & Audit Committee and the Joint Consultative Committee for Health and Safety and Employee Relations . The latest report presented in [September 2024 for the period 2023/24.](#)
- Annual Property Compliance report which includes fire safety compliance, gas and electricity testing, asbestos re-inspection and legionella testing is reported to Governance & Audit Committee. The most recent report was presented in [September 2024.](#)

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.

Risk 21: The risk that the integration of health and social care services between BCUHB and DCC does not develop further

Lead Member(s): Councillor Elen Heaton and Councillor Diane King

Risk Owner: Nicola Stubbins

February 2025 update:

Risk reviewed and updated.

CET have closely monitored developments at the Health Board having particular regard to their potential impact on this risk.

There are partnership agreements outstanding and an amount of debt that is currently being worked on to recover from the Health Board. This is made more difficult with the number of interim senior personnel in post and posts being reappointed regularly within BCUHB, which makes ongoing relationships very difficult, all of these could jeopardise our integration work moving forward.

Taking into account the current situation it is now appropriate to amend the residual risk score from C2 – Major Risk: Possible / High Impact to B2 – Critical Risk: Likely / High Impact.

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.

Betsi Cadwaladr University Health Board (BCUHB), which covers the whole of North Wales, was placed back in special measures on Monday 27, February 2023 having previously been in the category between 2015 and 2020. 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.

Since going back into special measures the Health Board has put an interim Chair and interim Chief Executive in post, however, there are still a number of interim posts at various levels which affects decision making.

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, the reinstatement of special measures means there is a possibility that this risk could increase in terms of both likelihood and impact (and sit further beyond our risk appetite), until such time the Board is no longer in special measures, the Board's restructure settles or should our controls be ineffective.

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:

- Delivery of the North Wales Regional Partnership Board Annual Plan.
The 2022 to 2023 annual report was presented to [Partnerships Scrutiny Committee](#) on 12th September 2024.
- The posts of Chief Executive and the Chair of the Health Board have been made permanent.
- Other Senior posts remain as vacant or interim and pose a challenge to the integration agenda.
- 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).
- Four 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. PSB members have reaffirmed they will work together to implement the Healthy Travel Charter, the regional Climate Change Risk assessment, Shaping Places in Wales and some work (to be confirmed) on anti-racism. Further work may emerge on agri-food and/or economic wellbeing.

Ancillary controls:

- We assume, as at last time the Board was put into special measures that an Assurance Board will be established. The Council to look to engage with that Board and receive regular updates.
- 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.

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

Relevant indicators of the effectiveness of controls:

- Pathways of Care: There is a requirement for each health board to measure delayed pathways of care activity via a monthly validated census with local authority partners. This will enable monitoring of the number and length of delays, plus their reasons, assisting NHS and LA partners in prioritising actions to alleviate delays.

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

Assurance:

- Audit Wales: Urgent and Emergency Care: Flow Out of Hospital – North Wales Region was [presented to Governance and Audit Committee on 25th September 2024](#)
- 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.

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

Lead Member(s):

Risk Owner: Gary Williams

February 2025 update:

Risk reviewed and updated.

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.

Critical controls have been updated and the Residual Risk score remains unchanged as E2 – Moderate Risk: Rare / High impact

Description

Denbighshire County Council employs around 4,500 staff and spends in excess of £300 million per year. 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 has therefore put in place proportionate systems to minimise this risk and these are kept under constant review.

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.
- Loss of reputation and confidence in the council and public bodies in general.
- Negative impact on service provision / delivery.
- Negative impact on the council's culture.
- 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:

- Fraud Awareness Session for Governance & Audit Committee members held March 2025.
- Internal Audit held Fraud Awareness Sessions for Schools in January 2023 to raise awareness and promote the Corporate Strategy for the Prevention and Detection of Fraud, Corruption and Bribery to schools.
- The Council has appointed a Corporate Director: Governance and Business.

- The Governance & Audit Committee received in September 2024 the [Annual Whistleblowing Report](#).
- Internal Audit has conducted a review of ethical culture. As a result, we introduced clearer guidance about our code of conduct (for officers) to strengthen arrangements for declarations of conflicts and interests, including gifts and hospitality.
- 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.
- 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 has been updated with refresher training being rolled out in 2024 / early 2025
- The Employees' Code of Conduct is in the process of being updated and a refresher training carried out across services (by mid-2025)
- 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 include checks on identity and document verification
- Bi-annual review of UK and local government fraud risk trends and emerging issues from Fraudscape shared with the Corporate Executive Team - <https://www.fraudscape.co.uk> (last update September 2024)

- Annual review by the council's Internal Audit team of Corporate Risks as part of the Annual Audit Plan
- Regular internal and external review of our systems and procedures using the [FFCL Checklist](#)
- The risk of fraud and corruption is also managed at a service level.

Ancillary controls:

- The Communications team has a close working relationship with Internal Audit with relevant low assurance rated reports flagged up at an early stage.
- Internal Audit team are due to launch a fraud awareness training package targeting 2,500 staff at an up-coming leadership conference (May2025)
- 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, and seek opportunities to highlight the value of whistleblowing and consequences of fraud to individuals and the council.
- [National Fraud Initiative \(NFI\)](#) UK-wide counter-fraud exercise performed biennially, coordinated by Internal Audit in carrying out the exercise
- E-learning modules on Whistleblowing and Code of Conduct in place, and a mandatory e-learning module on Fraud is under development (due for launch May 2025)

Relevant indicators of the effectiveness of controls:

Indicators of the effectiveness of controls have been reviewed and revised. The following new relevant indicators have been identified and will be developed with Corporate Support Services: People for this risk:

- The number of whistleblowing incidences reported to DCC relevant to fraud
- The number of disciplinary processes pursued relevant to fraud
- The number of fraud issues referred to the police
- The number of reported whistleblowing incidences related to fraud not pursued
- % of new employees where detailed identity checks completed

- % of DCC funding schemes reviewed by fraud leads prior to launch
- % of staff trained in fraud awareness (training package under development)

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 34: The risk that there is insufficient regulated care

Lead Member(s): Councillor Diane King and Councillor Elen Heaton

Risk Owner: Nicola Stubbins

February 2025 review:

Risk reviewed and updated.

The residual risk score remains the same: B2 – Critical Risk: Likely / High Impact.

Description

Availability of some regulatory adult and child service can be scarce, leading to the requirement to provide alternative and/or expensive services. A reduction in the availability of domiciliary care provision means we find it challenging to provide services needed (particularly in the south of the county).

This continues to be a significant risk. We were in a position of having circa 1,000 hours that we were unable to meet / commission for domiciliary care agency allocation (some of which had been handed back by providers exiting the market). Although this figure is reducing as we have now managed to bring that figure down to just under 500 hours this is still being managed extremely closely.

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

- **Recruitment and retention** – This is a national issue for the care sector. At the root of this are many factors, including the relatively low wages, high demands, and sometimes a 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 long-term 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 Children Looked After 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 Children Looked After, and increases this risk that demand for specialist care cannot be met locally.

Anticipated direction of travel:

Currently, the risk associated with us being unable to meet the demand for regulated 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:

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

- Develop a new Children's Assessment Centre (Bwthyn y Ddôl) jointly with Conwy CBC. This is an ongoing project.
- The Micro-providing Initiative is now an established project within Denbighshire. We continue to employ a full-time Deputy Team Manager to run the initiative whose role includes recruitment, training and monitoring of the micro-providers. Maintenance of the Micro-provider Directory, promoting Micro-providers across the region as an effective alternative to traditional forms of care and support, amongst health and social care staff designing packages of care for vulnerable citizens and their un-paid carers.
- Denbighshire now has a pool of over 75 Micro-Providers. Collectively, the 78 businesses provide around 1,200 hours of care and support in Denbighshire to over 280 residents each week, with around 80 being Direct Payment recipients.

- Implementation of Welsh Government's decision to fund the Real Living Wage (RLW) for registered social workers.
- 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.
- 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.
- 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 are looking at ways that we can try to manage the expectations of citizens/families; to continue to honour preference as much as possible, while at the same time ensuring that we are realistic about what we can provide, and that we are ultimately led by need.

Critical controls under usual circumstances include:

- Single Point of Access 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 Adult Social Care are underway to discuss annual fee setting process.
- 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.

A number of posts remain un-recruited to Reablement and Health and Social Care in the south of Denbighshire. This does limit our ability to pick up care packages. We have successfully recruited 4 staff members who will work across the whole of Denbighshire with the more complex cases, however this is funded with temporary funding. We continue to work on a rolling recruitment programme with the support from a dedicated HR officer.

Ancillary controls:

- 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:

- Vacancies (internal and external) and recruitment activity
- Budget variance
- CPFINA009iCorporate and Service Budget Variance (£k)
- ASCHAD005: Of the number of new assessments completed for adults, the number where needs were only able to be met with 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.

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, together with the Head of Childrens 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.

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

Lead Member(s): Councillor Jason McLellan

Risk Owner: Graham Boase

February 2025 update:

The risk has been reviewed and updated.

The residual risk score remains unchanged as : C2 – Major risk: Possible / High Impact

Description

With finite resources and competing priorities, there is a risk of a lack of commitment or capacity within strategic partner organisations to support shared plans, priorities and outcomes.

In delivering services to our communities the Council is reliant on a number of strategic partners including Health (inc Public Health Wales), North Wales Police, National Resources Wales, Denbighshire Voluntary Services Council, City/Town/Community Councils, neighbouring authorities, etc.

There is a complex structure of regional working, including Corporate Joint Committees (CJC), North Wales Economic Ambition Board (Ambition North Wales), Regional Partnership Board (RPB), Conwy & Denbighshire Public Service Board (PSB), Safer Communities Board etc. Much resource goes into attending and servicing these structures, but with budget pressures the risk is they become less effective, impacting on our ability to provide services to our communities. The biggest impact is likely to be on our more deprived communities.

Findings from the 2024 Panel Performance Assessment (PPA) which specifically considered partnerships made the following recommendations

- Carefully consider the opportunities for further partnership working presented by the new Corporate Joint Committee as a new statutory regional body
- Use the Council's convening power to strengthen partnership working with City, Town and Community Councils, and amplify collaboration for collective outcomes

Review and strengthen relationship with Trade Unions.

Anticipated direction of travel:

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

Inherent Risk

B1 – Critical Risk: Very Likely / High Impact

Controls to Manage Risk (in place)

Critical controls (strategic relevance):

- Denbighshire is represented at collaborative boards by senior managers and/or political leadership, for example, at the Regional Partnership Board (Corporate Director Social Services & Education and Lead Member Health & Social Care), North Wales Economic Ambition Board (CEO and Leader), Conwy & Denbighshire Public Service Board (CEO and Leader) etc
- Collaborative plans and priorities have been developed by the regional boards for which there is commitment from partners.
- Our Corporate Plan 2022 to 2027 has been approved, with Pledges that specifically address the need for working with partners
- Partnership and [Alternative Service Delivery Model Toolkit](#) recommends an annual review of partnerships to ensure membership and shared commitment remains relevant.
- PPA07 Action 7: Work closely with partners in the Corporate Joint Committee (CJC) to understand and develop proposals for greater collaborative working reducing duplication and delivering efficiency gains and ensuring best practice in partnership management is maintained (PPA07a) and opportunities communicated clearly to employees, members and residents (PPA07b).

- PPA08 Action 8: Through best practice in partnership management,¹ we will build a more collegial relationship with city, town and community councils e.g. by restoring regular meetings with a dedicated liaison officer and annual meetings with the Chief Executive and Leader (PPA08a). We will gather and promote case studies of effective partnership working between county and local councils (PPA08b). Through the meetings above, we will engage City, Town and Community Councils in decision-making around shared areas of interest.
- PPA09 Action 9: As part of developing placemaking plans, we will work with local town councils to identify and engage community groups and businesses in shared areas of interest relevant to that group(s).
- PPA010 Action 10: We will conduct an analysis of potential value to the council's priorities from the new Social Partnership and Public Procurement (Wales) Act and explore opportunities to build engagement (PPA010a). We will work with the Unions to increase awareness and understanding of the role of unions and the existing processes we have in place around trade union engagement (#10b)
- PPA011 Action 11: We will embed the aims and principles of consensus-building and collaborative working into council systems and processes through building this into Corporate Induction process and New Manager Training Course.

Ancillary control:

- Corporate Director Economy & Environment has regular meetings with senior management in NRW.

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.

Impact / Consequences

- Objectives not delivered.
- 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/Members leading to reputational damage.
- Investment of council resources with minimal return.
- Failure to deliver essential services to residents amid reducing budgets.

Residual Risk

C2 – Major risk: Possible / High Impact

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

Yes. This risk fits within our open risk appetite in relation to operational and policy delivery.

Further actions:

To explore further the organisations understanding of current partnerships and support discussions at HoS, Directors, and/or Cabinet level as appropriate as to where partnerships aren't delivering as hoped.

Action due date: May 2025

Person Responsible: Chief Internal Auditor

Risk 45: The risk to the Council’s reputation of not responding swiftly or sufficiently enough in making our contribution to tackle climate change and bring about natures recovery following the declaration of a Climate Change and Ecological Emergency in July 2019.

Lead Member(s): Councillor Barry Mellor

Risk Owner: Gary Williams

February 2025 update

Risk reviewed and updated.

Actions have been completed; current position and additional mitigations have been added to reflect new strategy. ADD explanation / justification following SLT discussion

The residual risk score remains unchanged as C2 – Major: Possible / High Impact

Description

Since declaring a Climate Change and Ecological Emergency in July 2019, we have adopted the Climate and Ecological Change Strategy (2021-2030) and put in place the Climate and Ecological Change Programme to deliver on the strategy goals to become a net carbon zero and ecologically positive council by 2030. This Strategy was reviewed and refreshed in 2024 and renamed the [Climate and Nature Strategy](#). The refreshed strategy was adopted by [Council](#) in July 2024 and commits to three further considerations in addition to reducing corporate emissions and increasing carbon sequestration:

- Reducing Emissions and Increasing Carbon Absorption Across Denbighshire
- Increasing Our Climate Risk Resilience Across the County
- Nature Recovery Across Denbighshire

The delivery of Climate and Ecological Change Programme is a large part of the Council's A Greener Denbighshire theme within the Council's Corporate Plan 2022-2027. In addition to aspects around supporting communities to mitigate and cope with the impacts of climate change.

Anticipated direction of travel:

This risk is not within our risk appetite. Following positive feedback from Audit Wales on our programme management and organisational ambition in this area we are reassured that we have a well-scoped action plan in place. 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. In 2023/24, our Net Carbon increased (+4.9%) against previous year emissions, although has reduced from baseline year by -9.8%. While this outcome was due in part to dull weather limiting solar energy production during the year, we are not currently making decisions and delivering activities that cut carbon at the pace required for us to feel assured we will achieve Net Carbon Zero Council by 2030. The assessment for Ecologically Positive Council by 2030 is more promising: species richness of DCC owned and operated land has increased by +13% from the baseline year and +3.5% from 2022/23 due to the increase of broadleaf woodland and wildflower meadows. With a new strategy now in place, there are new opportunities to mitigate risk to the council, but this risk will require regular management to ensure controls are working as intended.

Impact / Consequences

- Damage to the organisations credibility and reputation.
- Public complaints and protest.
- Deteriorating staff morale.
- Inability to meet statutory obligations and avoid legislative offenses.
- Opportunity loss in coproduction approaches with communities and partners around climate change impact, climate risk resilience and nature recovery.
- Opportunity loss in securing external funding for work in this area.

Inherent Risk

A2 – Critical Risk: Almost Certain / High Impact

Controls to Manage Risk (in place)

Critical controls:

- 2023/24 Strategy Review and Refresh work has been completed. It received public involvement and engagement through surveys and a workshop held in November 2023.
- The strategy was adopted unanimously by [Council](#) in July 2024.
- Analysis of net carbon zero performance to date and forecasted progress to 2030 following 2022/23 data return indicates there is a gap between what we forecast can be achieved and the carbon reduction/carbon sequestration increase targets.
- 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 now if they are to stand a chance of meeting this ambitious target.
- The Climate Change and Ecological Emergency cross party political working group has been re-established and is meeting regularly. Cross party consensus around being upfront with our knowledge to date on progress and forecast within the updated strategy document.
- Communication representatives on the Greener Denbighshire Board and cross party political working group to enable the Communications Team to manage media and public relations and internal communications on the matter.
- 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.
- 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.
- We have secured budget to deliver the 2024/25 programme, including extending the role of a procurement business partner to reduce emissions in our

procurements and hiring two streetscene nature operatives. Other roles being explored will largely be expansions of existing roles and teams.

- The Climate and Ecological Change programme actively seek opportunities for external grant funding
- Introduction to Climate Change training is available to all staff. All but one 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.
- New nature e-Learn launched in early 2025 and promoted across the organisation.
- Active participation in national, regional and local strategy and operational groups to leverage benefits from collaboration.
- Active engagement with Environmental Representative groups active in Denbighshire. Public engagement within strategy review and refresh every 3 years.
- Procurement controls in place to minimise risk of Environment Act (2016) breaches through contracted construction work.
- Participation in regional climate change risk assessment in 2024-25 through Public Services Board.

Relevant indicators of the effectiveness of controls:

- NCZCORP: Net Carbon Zero - Total carbon tonnage emitted and absorbed by the council (excluding supply chains)
- CTOTALCORP: Total carbon tonnage emitted (Corporately) for the Net Carbon Zero goal
- 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
- Audit Wales – Public Sector Readiness for Net Zero Carbon by 2030
- Verto reporting capability to track projects that help, hinder or are neutral to carbon management and nature recovery
- Internal audit scheduled for April 2025 to review how Services / projects are considering climate and nature in council decisions as per constitution

Residual Risk

C2 – Major: Possible / High Impact

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

Major risk. Risk Appetite suggests this risk should/could be tolerated as a major risk as long as appropriate steps have been taken to proactively manage community relations and media and coverage. Although, clearly, our ambition is to meet the 2030 goals, we hope to be able to reduce the likelihood of the risk closer to 2030 once sufficient benefits and positive impacts have been achieved.

Further actions:

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

Action Due Date: Rolling

Person Responsible: Climate Change Manager

2. Roll out ecological literacy training

Action Due Date: Rolling

Person Responsible: Climate Change Manager

Risk 48: The risk that recruitment and retention issues leads to a loss of expertise and capacity resulting in poor or inadequate performance

Lead Member(s): Councillor Julie Matthews

Risk Owner: Gary Williams

February 2025 update:

Following the risk “deep dive” by CET and SLT agreement 20th March it is proposed to de-escalate this risk to a service level risk with Heads of Service evaluating and managing this risk within their respective service areas.

Action: To be de-escalated to Service level

Description

The Council has a regular turnover off staff as individuals move on for a host of reasons. A number of service areas then face difficulties to recruit to those vacancies, particularly but not limited to critical front line social care and highways and environment roles. This is a national issue.

Anticipated direction of travel:

From a corporate perspective the risk is likely to reduce as we embark upon finding significant savings. Vacant posts may need to be deleted from the structure to contribute to savings or be left open to offer redeployment opportunities in connection with savings elsewhere. It is anticipated that certain Services will retain the risk in their Service Risk Registers.

Impact / Consequences

- Failure to recruit to and retain staff in key roles, including front line positions
- Difficulty in sustaining services
- Difficulty meeting statutory requirements
- Declining performance in critical areas, particularly Childrens' Services.
- Deteriorating staff morale/well-being
- Increased pressure on middle and senior managers
- Well-being of staff members expected to cover additional work due to the Council carrying a high number of vacant posts

Inherent Risk

B3 – Major Risk: Likely / Medium Impact

Controls to Manage Risk (in place)

Services are taking specific actions, to deliver targeted recruitment programmes. 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.

Critical controls:

- The Council has completed the review of the Senior Leadership Team structure and has successfully recruited to all vacant SLT posts.
- Corporate Plan Theme – A Well-Run, High Performing Council will be considering issues of retention and recruitment.
- An Internal Audit has been completed of the workforce plan action plan, reported to [Governance and Audit Committee](#) in July 2023.

In summary, the report confirmed that Human Resources (HR) have robust HR initiatives and strategies in place to support the Corporate Workforce Plan. The

development of some policies and guidance has been delayed due to vacancies within the team and workload pressures, however these have new revised completion dates.

- Workforce planning actions are underway to progress the findings of the corporate and service-level workforce planning reviews. There continues to be a significant focus on recruitment, especially in social care and health roles. A six monthly update report on delivery of the action plan was presented to the Corporate Executive and Senior Leadership Teams during the period. An annual update was presented in April 2023.
- A Group has been established looking a recruitment issue in social care, chaired by the Corporate Director for Social Services & Education. An action plan has been developed.
- Work is taking place regionally to tackle particular/acute recruitment issues (such as those in social care and health).

Ancillary controls:

- The Denbighshire County Council Pay Grading Structure will need reviewing
- 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.
- Work experience, career grade job roles, apprenticeships are available in the council.

Relevant indicators of the effectiveness of controls:

- LHRD10i: % of people who started in the last 12 months and who are still working for DCC

Qualitative indicators (delivery of activities):

- CPCSP6a: Undertake an annual review of the Corporate Workforce Plan 2022 to 2027
- CPASCH4001a: Deliver the action plan of the Social Care Recruitment and Retention Operational group

Assurance:

- An Internal Audit has been completed of the workforce plan action plan, reported to [Governance and Audit Committee](#) in July 2023 (see above under Critical Controls).

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.

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

Lead Member(s): Councillor Diane King

Risk Owner: Nicola Stubbins

February 2025 update:

This risk has been agreed Regionally for inclusion in Corporate Risk Registers

The risk has been reviewed and in some cases, where a placement is necessary but cannot be sourced due to national placement insufficiency a bespoke arrangement may have to be established. In this regard the residual risk score remains as B2 – Critical Risk: Highly Likely and High Impact.

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

We continue to monitor the long-term implications of this commitment from Welsh Government on adult placements. For now, the risk Lead Member is Councillor Diane King but should it become a risk for adult placements Councillor Elen Heaton will be added as a Lead Member.

Description

The Welsh Government's Programme for Government makes a commitment to 'eliminate private profit from the care of Children Looked After 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 Children Looked After.

This risk is closely linked to [risk 34](#) (The risk that there is insufficient regulated care)

Anticipated direction of travel:

This risk has been regionally agreed. We will review the anticipated direction of travel as our management of this risk progresses over the next few months. We always felt this would take time to be resolved but there have been delays, but there is a real desire from Welsh Government to implement but it is a complex and challenging issue to resolve. It is becoming more challenging to find placements. In some cases, where a placement is necessary but cannot be sourced due to national placement insufficiency a bespoke arrangement may have to be established. This is known by CIW as Operating Without Registration (OWR) and is an offence. Work is ongoing between CIW, ADSSC, AWHoCS and WLGA to agree a process for the monitoring of OWRs. It is accepted that national placement insufficiency is leading to an increased use of OWR arrangements.

Impact / Consequences

- Reduction in the number of placements for Children Looked After 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.
- Inability to source placements may result in the establishment of an emergency bespoke provision, contrary to regulations (OWR).

Inherent Risk

B2 – Critical Risk: Highly likely and High Impact

Controls to Manage Risk (in place)

Critical controls:

- The Health and Social Care (Wales) Bill will achieve Royal Assent on March 24th 2025. During the consultation period some minor changes were accepted, however,

these changes did not include a widening of the definition of 'not for profit'.

Timescales for implementation have been amended to the following –

- 1st April 2026 – no new 'for profit' providers will be registered by CIW.
- 1 April 2027 - existing for-profit providers will not be able to add additional beds or foster carers to their services.
- 1st April 2030 – all existing 'for profit' providers will be required to convert to a not for profit model.
- Market intelligence is predicting a higher number of SME's will exit rather than convert, this is largely due to their preferred operating model not being part of the agreed not for profit definition. IFA conversion likely to be higher but we have already seen some examples of significant price rises from IFA's.
- There is close national and regional working to monitor the above and we will play an active part in future consultations regarding the associated regulation and guidance for this legislation.
- 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.
- 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 CLA will be available.

Residual Risk

B2 – Critical Risk: Highly likely and 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.

Risk 51: The risk that the economic and financial environment worsens and results in the Council's inability to set a balanced budget.

Lead Member(s):

Risk Owner: Liz Thomas

February 2025 update:

Risk reviewed and updated to reflect current assumptions in Medium Term Financial Plan.

Residual risk remains as C1 – Critical Risk: Possible / Very High Impact

Description

The Local Government provisional settlement for 2025 to 2026 was 7% (on cash year on year comparison), this compares to a settlement of 3.6% in 2024 to 2025. There continues to significant demand led pressures related to inflation (e.g. pay,), social care, and support for schools, that are outside of the council's ability to fully control.

The economy has suffered several shocks in recent years. Leaving the European Union, Covid-19, war in Ukraine and increases in cost of living. Cost of fuel, goods and services have increased due to high levels of inflation in the UK, prompting The Bank of England to increase base rates.

Although the Council's budgetary position is based on a range of assumptions and estimates that can change, the projections at budget setting time indicated that pressures of £24m for 2025/26 required funding. The budget was balanced by the increase in funding from WG (provisional settlement equated to an additional £15m), savings totalling £4m and a Council Tax yield of £5m. Whilst £4m is a significant figure it is lower than 2024/25 at £10.4m. Cumulative savings are increasing and therefore comes with risk. Council Tax was increased by 6%. Similar pressures are being experienced by other Welsh local authorities.

The position for the medium term (2026/27 and 2027/28) within the Medium Term Financial Plan (MTFP) look as equally challenging as recent years. The costs of delivering services are forecast to increase by £14m to £27m in 2026/27, and £14m to £26m in 2027/28. Funding is even more uncertain as the current UK Government spending plans end in 2024 to 2025 and therefore WG cannot provide an indicative settlements. In the absence of any reliable forecasts available the Council is planning for a 1% increase in funding for WG in the next 2 years, which coincides with continued increases for demand in services and costs pressures. The current MTFP includes a range for Council Tax increases between 6% and 12%, even with a working assumption of Council Tax increase of 9%, there is an estimated gap of £11m to set a balance budget in 2026/27. (Please note: no decisions regarding Council Tax have been made).

Any plans require the approval of Cabinet and in some instances Council, and must be implemented in a timely manner that complies with legislation. While the budget process has been successful historically the Council has never faced the scale of financial challenges that we are currently. Substantial savings need 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 main areas of pressure relate to:

- Social Care (Adults) – this pressure relates to the ever increasing demand due to need and demographic pressure. It is also impacted by inflationary pressures especially the annual increase in the Real Living Wage and the impact this has on the care home fees that are agreed on an annual basis.
- Childrens' Services – the main driver of pressures in this area is the increasing number and cost of external placements.
- Pay and grading – the pressure for increases in public sector pay is a major concern for the Council's finances when the expected settlement falls well short of inflation. It is expected that due to the RLW increasing at an even higher rate over a number of years that the Council's whole grading structure will need to be redesigned – a project team has been established to carry out this work and we await the results of the 2025 pay negotiations before this work can be progressed.

- School Budgets – the Council provides schools with inflationary pressures each year and then decides whether or not a savings target is applied. All the inflationary pressures (e.g. pay and energy) also impact schools' budgets.

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. We do have control on the likelihood of not being able to deliver a balanced budget, based on the decision-making processes we put in place. The outlook remains unchanged over the last twelve months. The outlook for public bodies is of concern and we expect that financial settlements won't keep up with the increasing demands and complexity for services from the most vulnerable in our society - 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. Services have already made significant savings over the last 13 years and further savings will result in reductions in service which will be more difficult to prioritise and deliver.

The direction of travel on the particular pressures are summarised below:

- Social Care (Adults) – the pressure (excluding pay) in 2023/24 was £8.2m, £8m in 2024/25, £3.7m 2025/26 and a further pressure of £4.1m has been included for 2026 to 2027.
- Childrens' Services - the pressure (excluding pay) in 2023/24 was £2.7m, £2m in 2024/25, £4.3m in 2025/26 and a further pressure of £3m has been included for 2026 to 2027.
- Pay and grading - this year the estimated pay pressure is included at £3m a further pressure of around £3.6m is expected for 2026 to 2027. On top of this core pressure, the impact of the grading issue is currently included at a high level estimate of £3m.
- School Budgets – Inflationary and demographic pressures of £5.2m was included in the 2025 to 2026 budgets. For 2026 to 2027 a pressure of £4m is forecast..

Impact / Consequences

- The council experiences increased costs.

- The council's ambition and the scope of projects and programmes are curtailed due to increased costs.
- Stretched resources, affecting our ability to deliver on statutory functions.
- Low staff morale.
- Regulatory action, and poor reputation if unprepared.
- Reputational damage.
- Ultimately the risk is that the Council cannot set a balanced budget which may lead to the issuing of a Section 114 notice and external intervention.

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:

- Since September 2024 we are currently having two weekly CET and Cabinet meetings to discuss the Council's financial position, this group is now called the Budget and Transformation Board. This forms the basis of how we identify the efficiencies, savings and cuts necessary in order to ensure the financial sustainability of the council. Each major savings proposal is shared with all Members through a report and a workshop session, and a detailed plan is developed including communication before final decisions are made.
- The Medium Term Financial Strategy (MTFS) is reported regularly to Cabinet, Governance and Audit Committee and Performance Scrutiny. This includes high level plans for the transformation of the Council to make longer term savings.
- 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. However the financial capacity for Welsh Government to help is also very limited.

- The Medium Term Financial Plan (MTFP) is refreshed periodically throughout the financial year, contains different scenarios to try to ensure that it can deal with changes in the external environment and is reported regularly alongside the Medium Term Financial Strategy.
- 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.
- Regular (usually monthly) financial planning meetings between services and management accountants are in place. Financial management was strengthened in year, by the introduction of tracking savings monthly that are reported regularly. Enabling early identification of any issues, so prompt action can be taken.
- The Procurement Team supports services to ensure value for money and explore collaborative procurement where that may be a possibility.
- 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.

Ancillary controls:

- A detailed Communications Strategy has been developed to ensure that all stakeholders are informed and can have input into the budget process. Monthly meetings are held to monitor the progress of the detailed Communications Action Plan. This aims to provide clear communications around financial challenges and the budget process to Members and we try to ensure our residents are informed about how the council is funded and spends its funds.

Relevant indicators of the effectiveness of controls: During 2025/26 the Head of Finance and Audit's service plan includes key performance indicators that are associated with effective management of this risk and provides a monthly budget report to Cabinet.

- FINA101m The % of required efficiency savings identified for next year (Quarterly)
- FINA102m The % of required efficiency savings achieved for this year (Quarterly)
- CPFINA010i Council reserves (£k)

Key performance indicators regards budget and savings are included in all service plans.

Assurance:

- The Budget Strategy is being reviewed regularly by the Governance and Audit Committee

Residual Risk

C1 – Critical Risk: Possible / Very High Impact

Risk 52: The risk that insufficient funding leads to withdrawal or scaling back of services, even when a balanced budget is delivered

Lead Member(s):

Risk Owner: Graham Boase

February 2025 update:

The risk has been reviewed and updated.

Residual risk score remains as : B1 – Critical Risk: Likely / Very High Impact

Description

Description

The Local Government provisional settlement for 2025 to 2026 was 7% (on cash year on year comparison), this compares to a settlement of 3.6% in 2024 to 2025. There continues to significant demand led pressures related to inflation (e.g. pay,), social care, and support for schools, that are outside of the council's ability to fully control.

The economy has suffered several shocks in recent years. Leaving the European Union, Covid-19, war in Ukraine and increases in cost of living. Cost of fuel, goods and services have increased due to high levels of inflation in the UK, prompting The Bank of England to increase base rates.

Although the Council's budgetary position is based on a range of assumptions and estimates that can change, the projections at budget setting time indicated that pressures of £24.m for 2025/26 required funding. The budget was balanced by the increase in funding from WG (provisional settlement equated to an additional £15m), savings totalling £44m and a Council Tax yield of £5m. Whilst £4m is a significant figure it is lower than 2024/25 at £10.4m. Cumulative savings are increasing and therefore comes with risk.

Council Tax was increased by 6%. Similar pressures are being experienced by other Welsh local authorities.

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 main areas of pressure relate to:

- Social Care (Adults) – this pressure relates to the ever increasing demand due to need and demographic pressure. It is also impacted by inflationary pressures especially the annual increase in the Real Living Wage and the impact this has on the care home fees that are agreed on an annual basis.
- Childrens' Services – the main driver of pressures in this area is the increasing number and cost of external placements.
- Pay and grading – the pressure for increases in public sector pay is a major concern for the Council's finances when the expected settlement falls well short of inflation. It is expected that due to the RLW increasing at an even higher rate over a number of years that the Council's whole grading structure will need to be redesigned – a project team has been established to carry out this work and we await the results of the 2025 pay negotiations before this work can be progressed.
- School Budgets – the Council provides schools with inflationary pressures each year and then decides whether or not a savings target is applied. All the inflationary pressures (e.g. pay and energy) also impact schools' budgets.

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. We do have control on the likelihood of not being able to deliver a balanced budget, based on the decision-making processes we put in place. The outlook remains unchanged over the last twelve months. The outlook for public bodies is of concern and we expect that financial settlements won't keep up with the increasing demands and complexity for services from the most vulnerable in our society - 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. Services have already made

significant savings over the last 13 years and further savings will result in reductions in service which will be more difficult to prioritise and deliver.

The direction of travel on the particular pressures are summarised below:

- Social Care (Adults) – the pressure (excluding pay) in 2023/24 was £8.2m, £8m in 2024/25, £3.7m 2025/26 and a further pressure of £4.1m has been included for 2026 to 2027.
- Childrens' Services - the pressure (excluding pay) in 2023/24 was £2.7m, £2m in 2024/25, £4.3m in 2025/26 and a further pressure of £3m has been included for 2026 to 2027.
- Pay and grading - this year the estimated pay pressure is included at £3m a further pressure of around £3.6m is expected for 2026 to 2027. On top of this core pressure, the impact of the grading issue is currently included at a high level estimate of £3m.
- School Budgets – Inflationary and demographic pressures of £5.2m was included in the 2025 to 2026 budgets. For 2026 to 2027 a pressure of £4m is forecast.

Impact / Consequences

- Further savings will result in reductions in service which will be more difficult to prioritise and deliver
- Stretched resources, affecting our ability to deliver on statutory functions.
- Leading to an inability to deliver current levels of service provision.
- Overspends in Social Care place significant budget pressures on the council and could result in the scaling back or withdrawal of non-statutory services.
- Denbighshire overspends on its budget.
- Denbighshire cannot deliver savings.
- Low staff morale.
- Regulatory action, and poor reputation if unprepared.
- Reputational damage.

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:

- Since September 2024 we are currently having two weekly CET and Cabinet meetings to discuss the Council's financial position, this group is now called the Budget and Transformation Board. This forms the basis of how we identify the efficiencies, savings and cuts necessary in order to ensure the financial sustainability of the council. Each major savings proposal is shared with all Members through a report and a workshop session, and a detailed plan is developed including communication before final decisions are made.
- The Medium Term Financial Strategy (MTFS) is reported regularly to Cabinet, Governance & Audit Committee and Performance Scrutiny. This includes high level plans for the transformation of the Council to make longer-term savings.
- 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. However the financial capacity for Welsh Government to help is also very limited.
- The Medium Term Financial Plan (MTFP) is refreshed periodically throughout the financial year, contains different scenarios to try to ensure that it can deal with changes in the external environment and is reported regularly alongside the Medium Term Financial Strategy.

- 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.
- Regular (usually monthly) financial planning meetings between services and management accountants are in place. Financial management was strengthened in year, by the introduction of tracking savings monthly that are reported regularly. Enabling early identification of any issues, so prompt action can be taken.
- The Procurement Team supports services to ensure value for money and explore collaborative procurement where that may be a possibility.
- 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.

Ancillary controls:

- A detailed Communications Strategy has been developed to ensure that all stakeholders are informed and can have input into the budget process. Monthly meetings are held to monitor the progress of the detailed Communications Action Plan. This aims to provide clear communications around financial challenges and the budget process to Members and we try to ensure our residents are informed about how the council is funded and spends its funds.

Relevant indicators of the effectiveness of controls: During 2025/26 the Head of Finance and Audit's service plan includes key performance indicators that are associated with effective management of this risk and provides a monthly budget report to Cabinet.

- CPFINA009iCorporate and Service Budget Variance (£k)
- CPFINA010iCouncil reserves (£k)
- CPFINA011i% of forecast savings achieved for this year (Corporate, excluding schools) (Quarterly)

Key performance indicators regards budget and savings are included in all service plans.

Assurance:

- The Budget Strategy is being reviewed regularly by the Governance and Audit Committee

Residual Risk

B1 – Critical Risk: Likely / 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 moderate risk.

Risk 53: The risk that Transformational Programmes and Major Project benefits are not fully realised.

Lead Member(s):

Risk Owner: Gary Williams

February 2025 update

This risk was added to the Corporate Risk Register in October 2024 recognising the increasing number and complexity of transformation / change projects we are delivering and the growing significance of delivering cost savings and benefits associated with projects.

The risk has been reviewed and updated.

Residual risk score remains as : B2 - Critical Risk: Likely / High Impact

Description

The council is embarking on a series of transformation projects within and across services, in addition to its portfolio of major projects. The requirement for transformation projects is driven by changes in the current and anticipated operating scenario across financial, social and environmental issues. Projects are likely to encompass restructuring and innovation which will touch on elements of other risks in our corporate risk register. However, adding this as a separate risk draws together the heightened risks from expanding cross-service working and the risk of investing in changes that do not deliver the anticipated benefits, partly or wholly. This would lead to reputational and financial consequences, especially where significant funding is coming from Welsh and UK governments, which could affect their confidence in us in the future.

Benefits management within projects is the responsibility of the Senior Responsible Officer (SRO) and requires clear identification and – to the extent possible – *quantification* of benefits, weighed up against the costs and risks carried by the project. These should be tested for optimism bias and sensitivity to major risks, with assumptions challenged through the design and implementation of the project.

Existing processes within the council to assess benefits and costs include:

- Business Case options appraisal - delivery options have been considered for the project
- Wellbeing impact assessments as live documents - amended for the project, updating where there are significant project changes, including cumulative assessments considering the potential for compounding impacts of multiple change projects.

The majority of council projects deliver benefits as scoped, with notable recent successes including:

- East Rhyl Coastal Defence - protection against flooding
- Corwen Town Centre Improvements – partnership with community council
- Electric vehicle charging points in car parks across Denbighshire

However, there are opportunities to strengthen processes as we begin to work across services to ensure consistent and joined-up approaches to managing change, risks and benefits. This will support more effective delivery of the whole transformation portfolio, and key programmes such as the Transformation Programme and the Climate Change & Nature Recovery Programme. In addition, strengthening programme and project management will support delivery and governance associated with the Sustainable Communities for Learning Fund, Shared Prosperity Fund (SPF), the Levelling Up Fund (LUF) and any successor funding programmes.

Processes to be reviewed and enhanced that would help mitigate this risk include:

- Project definition and budgeting
- Benefit identification, analysis and realisation
- Risk identification, analysis and mitigation
- Cost benefit analysis, including optimism bias and sensitivity testing
- Change management at project, programme and portfolio levels
- Communications.

Anticipated direction of travel:

The risk was raised in October 2024 to reflect the range of transformation / change projects we are and will be delivering, against anticipated instability in costs and delivery scenarios.

Impact / Consequences

The changes anticipated in business cases do not materialise and, hence, neither do their benefits.

While benefits could be underestimated and additional benefits be realised, the greater risk to Denbighshire County Council is where programmes or projects have a greater negative impact than anticipated, which could result in the following:

- 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 deteriorates in important areas of our business (for our residents)
- Reinstatement/correction in performance is difficult and slow to achieve
- Reputation can suffer if performance deteriorates
- Reputation can suffer if messages are not managed
- The impact of not fulfilling our programmes and realising benefits could result in poor social, cultural, economic and environmental outcomes.
- Financial liabilities
- Regulatory liabilities
- Deteriorating staff morale and wellbeing
- 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 reduce, there is less capacity to respond to new, emerging and unplanned issues of importance to residents, councillors or partners. As it is expected this

coming period will be characterised by continued environmental, social and economic turbulence, management of this risk becomes more significant for the organisation.

Inherent Risk

B2 – Critical Risk: Likely / High Impact

Controls to Manage Risk (in place)

Critical controls:

- An annual recurring pressure has been included in the 2025/26 Budget of £250,000 to fund the Transformation Programme along with a reserve to provide resource to development ideas, do appropriate due diligence, feasibility and validation, and then manage delivery of projects to realise benefit.
- For Transformation projects the Budget and Transformation Board (CET and Cabinet) will oversee the delivery of transformation opportunities. Meeting monthly, they will ensure progress and strategic alignment and the realisation of expected benefits.
- Scrutiny Chairs and Vice Chairs will receive an information report every quarter.
- Budget & Transformational Board established.
- The Corporate Plan 2022 to 2027 has been approved by Members and a performance management framework is in place. This captures the ambition of elected members for their term of office.
- Strategic Planning team supporting the appropriate governance arrangements for the corporate plan, and also support performance management in the organisation, therefore there's a strong alignment between 'change' and business-as-usual.
- More robust challenge is being directed at project sponsors around costs, contingency allocation and optimism biases; through CET, programme and project boards, at Cabinet, the Capital Scrutiny Group and through other committees.
- Programmes and projects are developed within robust management and governance systems. Notably, both the Corporate Programme Office and the Post-Brexit funding team includes project trained and experienced officers.
- Corporate Project register goes to CET on a quarterly basis and provides information about the status of projects.

- 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.
- 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.
- The Verto project management platform records project benefits
- Significant outcomes from projects are identified as part of Service Planning processes.
- Finance remove savings from budgets to ensure financial savings are delivered.
- Performance Reports on the Corporate Plan are sent to SLT, Cabinet and Scrutiny every 6 months.
- SLT reviews key projects every three months.

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.
- As a result of lessons learned previously, Corporate Plan Theme 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:

- CPPRCORP: The percentage of Council projects whose delivery confidence was updated within the past three months (Corporate Project Register)

- [TBC] The percentage of completed Council projects that include a closure report in Verto

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.

Further Actions

- Identify code for risk indicator above
- Establish a project managers forum comprising champions from each service to support with project management skills and the use of Verto
- Develop an internal project management training programme
- Develop an introduction to Project Management and Verto module available to any interested employee
- Further embed our approach on project closure and lessons learned
- Further embed our approach on benefit realisation and evaluation post project closure

Action Due Date: July 2025

Person Responsible: Lead Project Manager, Corporate Programme Office