

**AUDIT COMMITTEE  
27 JANUARY 2021**

**ITEM NO.**

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**MID YEAR RISK MANAGEMENT UPDATE REPORT 2020/21**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To update Members on the approach to and outcomes from the Council's Risk Management processes.

**Summary**

2. Positive progress continues to be made within the Authority regarding the management of key strategic risks and with the work undertaken by officers to manage operational risk.

**Recommendation**

3. It is recommended this Risk Management Report be noted.

**Reasons**

4. The recommendation is supported to provide the Audit Committee with evidence to reflect on the Council's approach to Risk Management.

**Paul Wildsmith  
Managing Director**

**Background Papers**

- (i) Council's Risk Management Strategy
- (ii) Corporate and Group Risk Registers
- (iii) Annual Risk Management Report to Audit Committee 16 September 2020

S17 Crime and Disorder	This report has no implications for crime and disorder
Health and Well Being	There is no specific health and well-being impact
Carbon Impact and Climate Change	There are no specific recommendations contained within the attached reports concerning Carbon Reduction.
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally
Groups Affected	All groups are affected equally
Budget and Policy Framework	This report does not recommend a change to the Council's budget or policy framework
Key Decision	This is not a key decision
Urgent Decision	For the purpose of the 'call-in' procedure this does not represent an urgent matter
One Darlington: Perfectly Placed	There is no specific relevance to the strategy beyond a reflection on the Council's governance arrangements
Efficiency	Insurance premiums reflect the pro-active approach taken to risk management within the Council.
Impact on Looked After Children and Care Leavers	The report does not impact upon Looked After Children or Care Leavers.

## MAIN REPORT

### Background

5. Risk Management is an essential part of effective and efficient management and planning and it strengthens the ability of the Council to achieve its objectives and enhance the value of services provided. It is also an important element in demonstrating continuous improvement as well as being part of the Council's Local Code of Corporate Governance that reflects the requirements of the CIPFA/SOLACE Framework of Corporate Governance.

### Information and Analysis

#### Strategic Risk Outcomes

6. A key element of the Council's planning process is that the areas of potential risk, which could adversely impact on the ability to meet objectives, are identified together with the officer responsible for managing that risk. These risks are plotted on to a standard likelihood and impact matrix with reference to management controls in place and working. The shaded part of the matrix signifies the area above the 'risk appetite line'. Risks in this region require further specific management i.e. are priorities for improvement that have an appropriate improvement action plan. Risk matrices that reflect the updated Council structure from 1 June 2018, are attached at Appendices A-D and show the current Council Corporate and Departmental risks.
7. All risks are continually managed during the year by Corporate and Departmental Management Teams including any emerging risks identified. In addition, Assistant Directors are required to confirm in their Annual Managers' Assurance Statements (MAS) that processes are in place to ensure that controls identified to support the positioning of risks on the risk matrices are in place and working.
8. The information that follows, provided by appropriate departmental staff, details progress made on improvement actions for those risks identified as above the risk appetite line.
  - (a) **Corporate Risks (Appendix A)** – one risk has been identified as above the risk appetite line.

#### **(C18) COVID-19:**

1. **Health and safety of the Council workforce**
  2. **Health and safety of the public of Darlington**
  3. **The impact on the Economy of the Borough and its population**
  4. **Financial impacts on the Council of increased costs and reduced income**
- (i) In terms of mitigating this risk the Council has introduced safe working practices; is working with partners to make the public aware of risks and working to ensure compliance within businesses and other sectors in the Borough; will work with Government departments and the Tees Valley Combined Authority to seek to limit the impacts by utilising interventions to kick start the economy; and will keep its Medium Term Financial Plan

(MTFP) under constant review and take appropriate decisions to safeguard the Council's finances.

- (ii) The Council is also running community testing in a number of settings to help identify asymptomatic people and supporting the roll out of the vaccinations programme by the NHS, along with volunteers to reduce the health risks particularly of the most vulnerable in the early stages of the roll out.
- (b) **Children and Adult Services (Appendix B)** – three risks have been identified as above the risk appetite line.

**(C & A1) Inability to contain placement costs for children looked after.**

- (i) A full Transformation and Efficiency programme is being delivered with the key objective of developing sufficient provision within or close to Darlington that meets the needs of looked after children. This includes in-house foster care, residential care and specialist provision for complex needs. Due to the changing complexities and the demand for placements not just locally, but also regionally and nationally, the work will be informed by other localities, and joint working will take place where this can add value.

**(C & A8b) Increased demand for Children's services impacts negatively on budget.**

- (ii) Work is ongoing within the Transformation Programme to safely reduce the level of risk in children's services. Input to this work has been enhanced with colleagues from Leeds City Council under the DfE sponsored Strengthening Families Programme. The ethos of the work will continue despite the programme formally ceasing over the next six months.

**(C & A 14b) Failure to respond appropriately to safeguard vulnerable children, in line with national legislation and safeguarding children, thresholds and procedures.**

- (iii) Services are in place to screen contacts and referrals, and to respond should concerns be identified. Pathways for intervention are both internal and multi-agency, and the Council ensure that its own staff understand and apply them robustly.
  - (iv) During the Covid-19 restrictions, each child open to children's services has a risk assessment in place to determine level of safeguarding need and appropriate visiting frequency. Children have received face to face contact from children's teams to ensure appropriate safe living environments and that services are put in place to meet their needs.
- (c) **Economic Growth & Neighbourhood Services (Appendix C)** – two risks have been identified as above the risk appetite line.

**(EG & NS 13) Significant impacts arising from the reduction in available cash/resources to the local economy, Council's General Fund and**

## **Housing Revenue Account and businesses due to the impacts of increased levels of unemployment and Universal Credit payments.**

- (i) The Council has increased bad debt provision.

**(EG & NS20) Inability to cope with significant increase in homelessness cases due to new requirements by Ministry of Housing Communities and Local Government (MHCLG) to accommodation everyone irrespective of status in order to limit spread of COVID-19 and also increased levels of homelessness due to increased relationship breakdowns and financial difficulties.**

- (ii) Work is ongoing with MHCLG and People's Commissioners to attract additional funding and commission new services.
- (d) **Resources (Appendix D)** – no risks have been identified as above the risk appetite line.

### **Operational Risk Outcomes**

9. The Insurance Group continues to meet representatives of the Council's insurers to examine insurance claims. The insurers are able to provide the group with an update in relation to trends and operational risks to enable continuous improvement to the safety culture within the organisation.
10. The key health and safety focus over the last nine months have been to ensure effective measures are in place to manage the risks associated with the COVID-19. Services have reviewed their risk assessments to ensure Government guidance is being followed in relation to COVID-19 and identify any new hazards and risks that may be present due to changes in work activities. Appropriate control measures identified to reduce risks included social distancing and good hand hygiene practices. The Council enabled staff to work from home wherever possible, in line with Government guidance.
11. The corporate risk assessment COVID-19 was completed detailing arrangements in line with the Government's working safely during COVID-19, and includes; hygiene, cleaning and hand sanitising and steps to maintain 2m social distancing in the workplace. The risk assessment was developed with the involvement of Public Health and in consultation with the trade unions, gaining from their knowledge and experience in health and safety and has been updated at least monthly, throughout the period, to ensure it remains up to date with the constantly changing Government guidance.
12. Managers with staff returning to work, were required to carry out a return to work/building induction, to ensure employees are aware of the measures in place and on-site arrangements such as one-way systems.
13. Under consultation with Public Health and the trade unions, service specific and corporate safe systems of work safe have been developed, reviewed and updated following changes to the corporate risk assessment COVID-19 in line with Government guidance, these are available on the intranet.

14. Regular communications have been issued to staff regarding the importance of following the Government guidance and an on-line training module produced 'Getting back to work safely during COVID-19' for all staff to complete, providing further information and guidance on the measures in place to help keep staff safe at work.
15. Before returning to work all employees in vulnerable groups, received a vulnerability assessment carried out by occupational health, and appropriate reasonable adjustments introduced where required.
16. Monitoring the implementation of the risk assessments and safe systems of work is carried out by managers. Managers have recently been issued with a specific COVID-19 secure workplace monitoring checklist to assist in effective monitoring of the arrangements. Additional monitoring is being carried out by Corporate Landlord and the Health and Safety Team.
17. In March 2020 a new Street Works Permit Scheme was implemented in Darlington. The Council has worked with the other north east authorities over the last 18 months to develop the scheme. Studies by the Department for Transport have indicated that works durations are generally less in areas where a permit scheme operates compared with a noticing regime therefore reducing disruption to the public and road users.
18. The highway inspection & repair regime was able to operate throughout the first six months of the financial year in spite of the restrictions imposed due to COVID-19. 98.6% of highway safety inspections were carried out on schedule during the period with 98% of urgent defects repaired on time. Work is continuing with the supplier of our Highway Asset Management system to develop a new "Report It" webpage. This will allow customers to report highway defects online.
19. The work in recent years to convert the Street Lighting stock to LED lanterns continues to show benefits. As well as the reduction in carbon emissions and electricity costs there has been a decrease in the number of faults reported.
20. The Council has completed a programme of carriageway resurfacing works, including micro asphalt and carriageway recycling schemes. Although there were delays and different working measures had to be employed due to the restrictions around social distancing the program has been completed. Highways have been given an extra 1.2 million from the Government to be spent on maintenance schemes and these are now being designed ready to carry out in 2021/22.
21. During the COVID-19 restrictions our Highway Inspectors have continued to monitor the condition of our roads and footways. During the initial lockdown only urgent works were completed however we are now working as normal while being aware of the social distancing measures which are in place.
22. The proactive tree risk management processes continue to provide positive results enabling the Council to defend the majority of storm and subsidence compensation claims received.
23. Occupational health (OH) is a specialist branch of medicine that focuses on the physical and mental wellbeing of employees in the workplace and considers an employee's ability and fitness to perform a particular job. It has a key role in

assisting to manage risks in the workplace that may have the potential to give rise to work-related ill health. The Council's service operates as an in-house model with a directly employed OH Advisor and an OH Doctor provided via a contract with Durham County Council, both of which are suitably qualified and experienced. Together their aim is to prevent work-related illness and injury by:

- Encouraging safe working practices and proactive absence management;
  - Health surveillance and vaccination programmes in line with HSE recommendations, relevant to the workplace and specific job roles;
  - Supporting the management of sickness absence and facilitating early return to work;
  - Working with Human Resources, Health and Safety and managers to assist with policies to ensure we are health and safety compliant, including ensuring that reasonable adjustments are considered;
  - Providing specific advice to managers on hazards and risks to health with work functions;
  - Conducting pre-employment health assessments;
  - Supporting health promotion and awareness programmes;
  - Providing advice and signposting around non health related problems; and
  - Challenging fit note advice from a GP to ensure a swift return to work that is suitable and safe for the employee and team.
24. During the COVID-19 pandemic and lockdowns, OH has continued to provide a service to the Council, albeit primarily as a virtual/telephone/paper assessment service. The very few face to face assessments that have been carried out have been risk assessed and safe systems of working, appropriate cleaning and PPE used.
25. COVID-19 has also impacted upon workforce capacity, including that of key services. This has included cases where staff have been infected by COVID-19, required to self-isolate or are shielding. Vulnerability assessments have been undertaken by OH for those required to shield and those returning to work, this has included both vulnerable and extremely vulnerable individuals and appropriate adjustments have been made.
26. What is not yet known is the impact of long COVID sickness absence, reduced access to NHS appointments, the availability of surgery including the associated requirement to isolate to receive treatment and the cost of those medical cases which are now more prolonged as a result of longer waiting times.
27. We continue to monitor the health of the workforce and offer support at different levels for those impacted by COVID-19 and the changes to their working environment. We have worked with partners such as our counselling and physiotherapy providers to ensure that support is available to employees throughout the pandemic and have reinforced the importance of self-referring if these services are needed.
28. Mental health first aiders and mental health mentors have continued to be an asset to the workplace and during the pandemic. The Council has continued to promote their availability via 'Teams' and telephone for confidential chats where employees are offered a listening ear and signposted to further help where applicable.

29. Mental health awareness sessions for both managers and employees were initially suspended during the first lockdown, however, these have now resumed with sessions taking place virtually. Mental health continues and will continue to be a focus for wellbeing, especially during the pandemic.
30. The Council's annual winter flu vaccination programme continued this year in a COVID secure way. The Council was successful in obtaining a number of vaccines early in the season and prioritised its front line services to receive them. A larger number of employees received a vaccination than did the previous year. Again we had a successful year, however, due to supply restrictions and prioritising front line employees, there were a number of other employees who have not been able to obtain a vaccination. As we were unable to obtain any further vaccines from our supplier we were unable to administer the vaccine to as many employees as we would have liked to.
31. Wellbeing activities and events run throughout the year to engage with as many employees as possible. These have also been tailored to meet the COVID restrictions, with workshops on 'Stress Busting' and 'Improving Sleep' being delivered virtually. Information, advice and guidance has been targeted to managers to help them to deal with changing work practices, including dealing with employees who are working in differing roles and from home. This included producing and circulating 'A Managers Guide to staying Connected'.
32. Following national guidelines, the Children and Adults Services Workforce Development Team have worked both independently and in collaboration with multiagency partners to continue to offer a strong training and development offer to staff, partners and volunteers working with children, young people, adults and families in Darlington. The training offered throughout the pandemic has been 'blended', meaning that online training, webinars, interactive pod/vodcasts, etc have been developed and delivered alongside face to face training where safe to do so. Children and adults training and support materials are available on the Workforce Development pages of the intranet.
33. Like most services, Housing and Building Services has increased its agile working with IT and the digital platform to customers being improved with more improvements planned for 2021. 80% of the Housing Income Team now work primarily from home. Safe systems of work and risk assessments have been updated and new working practices introduced to maximise safety of residents and staff and reduce risks as much as possible. Gas servicing had been suspended for a short period but is now back on track and meeting compliance standards along with Fire Risk Assessments being carried out in communal areas. Some activities continue to be suspended and communal areas remain closed in sheltered and extra-care facilities in line with Government guidance. There has been increased customer contact and engagement throughout lockdown with staff making regular contact with the over 70s and vulnerable customers.

## **Conclusion**

34. The Council's pro-active approach to risk management continues to produce positive results for the Authority.



## **Outcome of Consultation**

35. There has been no formal consultation in the preparation of this report.

**RISK MATRIX**

**CORPORATE RISK REGISTER**

<b>LIKELIHOOD</b>	A Very High				
	B High				
	C Significant			<b>18</b>	
	D Low			<b>3, 4, 5, 17</b>	
	E Very Low		<b>1</b>		
	F Almost Impossible				
		IV Negligible	III Marginal	II Critical	I Catastrophic
<b>IMPACT</b>					

**CORPORATE RISK REGISTER**

<b>Risk No.</b>	<b>Risk</b>	<b>Responsible Person</b>	<b>Movement in Period</b>	<b>Reason for Movement on Matrix</b>	<b>Progress on Action Plan for Risks Above the Appetite Line that have not moved</b>
<b>C1</b>	Implementation of recommendations from the Capital Process Review is needed to improve effective capital project management	Ian Williams	None at E/III		
<b>C3</b>	Corporate Premises Risks	Ian Williams	None at D/II		
<b>C4</b>	Business Continuity Plans not in place or tested for key critical services	Ian Williams	None at D/II		
<b>C5</b>	Council unable to meet its obligations under the information governance agenda	Paul Wildsmith	None at D/II		

Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved
C17	Brexit could result in changes to laws, regulations, Government policy or funding when/if the UK leaves the EU which could impact on Darlington Borough Council's ability to achieve its objectives	Paul Wildsmith	None at D/II		
C18	COVID-19: 1. Health and safety of the Council workforce 2. Health and safety of the public of Darlington 3. The impact on the Economy of the Borough and its population 4. Financial impacts on the Council of increased costs and reduced income	Paul Wildsmith	None at C/II		See main body of report at paragraph 8 (a) i and ii

**RISK MATRIX**

**CHILDREN AND ADULT SERVICES**

<b>LIKELIHOOD</b>	A Very High				
	B High			<b>8b</b>	
	C Significant		<b>9b, 16, 17,</b>	<b>1</b>	
	D Low		<b>18,19</b>	<b>3a, 3b, 5, 9a, 10, 14a, 15</b>	<b>14b</b>
	E Very Low			<b>8a</b>	
	F Almost Impossible				
		IV Negligible	III Marginal	II Critical	I Catastrophic
<b>IMPACT</b>					

**CHILDREN AND ADULT SERVICES RISK REGISTER**

<b>Risk No.</b>	<b>Risk</b>	<b>Responsible Person</b>	<b>Movement in Period</b>	<b>Reason for Movement on Matrix</b>	<b>Progress on Action Plan for Risks Above the Appetite Line that have not moved</b>
<b>C&amp;A 1</b>	Inability to contain placement costs for children looked after due to lack of sufficient in house placements	Jane Kochanowski	None at C/II		See main body of report at paragraph 8 (b) i
<b>C&amp;A 3a</b>	Inability to recruit and retain sufficient qualified suitably experienced social workers in Children's Services impacts on cost and quality of service	Jane Kochanowski	None at D/II		
<b>C&amp;A 3b</b>	<b>Risk Reworded</b> Inability to recruit and retain sufficient qualified suitably experienced social workers and reablement staff in Adult Services impacts on cost and quality of service	Linda Thirkeld	None at D/II		

Risk No.	Risk	Responsible Person	Movement in Period	Reason for Movement on Matrix	Progress on Action Plan for Risks Above the Appetite Line that have not moved
<b>C&amp;A 5</b>	Failure to identify vulnerable schools and broker appropriate support to address needs	Tony Murphy	None at D/II		
<b>C&amp;A 8a Adult</b>	Increased demand for Adult Services impacts negatively on plans for budget efficiencies	Linda Thirkeld	None at E/II		
<b>C&amp;A 8b</b>	Increased demand for Children's Services impacts negatively on budget	Jane Kochanowski	None at B/II		See main body of report at paragraph 8 (b) ii
<b>C&amp;A 9a</b>	Market (Domiciliary Care Residential Care providers) failure following the Care Act/Living Wage	Christine Shields	None at D/II		
<b>C&amp;A 9b</b>	Market (Domiciliary Care Residential Care providers) for Vulnerable Families with Children (including SEND) experiences provider failure	Christine Shields	None at C/III		

<b>C&amp;A 10</b>	The Deprivation of Liberty Safeguards Threshold changes significantly increases the amount of people deprived of their liberty resulting in potential for increased legal challenge	Linda Thirkeld	None at D/II		
<b>C&amp;A 14a</b>	Failure to respond appropriately to safeguard vulnerable adults, in line with national legislation and safeguarding adults procedures	Linda Thirkeld	None at D/II		
<b>C&amp;A 14b</b>	Failure to respond appropriately to safeguard vulnerable children, in line with national legislation and safeguarding children, thresholds and procedures.	Jane Kochanowski	None at D/I		See main body of report at paragraph 8 (b) iii and iv
<b>C&amp;A 15</b>	Working with other local commissioners to ensure their understanding of their responsibilities within the Childhood pathway.	Penny Spring	None at D/II		
<b>C&amp;A 16</b>	Risk of unsuccessful mobilisation of new service - Support,	Penny Spring	None at C/III		



	Recovery and Treatment In Darlington through Empowerment (STRIDE).				
<b>C&amp;A 17</b>	Impact of NECA not retaining the Drug & Alcohol Contract on the Stop Smoking Service - Will the provider be able to manage the Stop Smoking staff if the Gate is no longer used by the Service.	Penny Spring	None at C/III		
<b>C&amp;A 18</b>	Impact of COVID-19 on team capacity.	Penny Spring	None at D/III		
<b>C&amp;A 19</b>	New Director of Public Health transition.	Penny Spring	None at D/III		

**RISK MATRIX**

**ECONOMIC GROWTH & NEIGHBOURHOOD SERVICES**

<b>LIKELIHOOD</b>	A Very High				
	B High				
	C Significant		<b>9</b>	<b>13, 20</b>	
	D Low			<b>1, 7, 8, 14, 16, 17, 18, 19</b>	
	E Very Low			<b>12</b>	
	F Almost Impossible				
		IV Negligible	III Marginal	II Critical	I Catastrophic
<b>IMPACT</b>					

**ECONOMIC GROWTH & NEIGHBOURHOOD SERVICES RISK REGISTER**

<b>Risk No.</b>	<b>Risk</b>	<b>Responsible Person</b>	<b>Movement in Period</b>	<b>Reason for Movement on Matrix</b>	<b>Progress on Action Plan for Risks Above the Appetite Line that have not moved</b>
<b>EG &amp; NS 1</b>	Investment in regeneration projects is not delivered	Ian Williams	None at D/II		
<b>EG &amp; NS 7</b>	Financial implications of Maintaining and conserving key capital assets within the borough	Guy Metcalfe/ Pauline Mitchell/Dave Winstanley	None at D/II		
<b>EG &amp; NS 8</b>	Ability to adequately address the affordable housing requirement	David Hand	None at D/II		
<b>EG &amp; NS 9</b>	Delay to new Local Plan	David Hand	None at C/III		
<b>EG &amp; NS 12</b>	Planning Performance at risk of Standards Authority intervention	David Coates	None at E/II		
<b>EG &amp; NS 13</b>	Significant impacts arising from the reduction in available cash/resources to the local economy, Council's GF and HRA and businesses due to the impacts of increased levels of unemployment and Universal Credit payments	Pauline Mitchell	None at C/II		See main body of report at paragraph 8 (c) i

<b>EG &amp; NS14</b>	Regulatory risks associated with provision of services including Street Scene Environmental Services, Building Services (Gas, Legionella, etc.) and the Lifeline service	Ian Thompson /Pauline Mitchell	None at D/II		
<b>EG &amp; NS16</b>	Delay in delivering replacement cremators resulting in failure of existing equipment and therefore closure of the service	Ian Thompson	None at D/II		
<b>EG &amp; NS17</b>	Impact of COVID-19 on customers and audiences on confidence to return to leisure and cultural facilities	Ian Thompson	None at D/II		
<b>EG &amp; NS18</b>	Impacts arising from the ability to progress and complete schemes/projects in the event of further COVID-19 lockdowns	Dave Winstanley	None at D/II		
<b>EG &amp; NS19</b>	Potential impact on public transport networks if commercial services do not recover or continue to receive support from Government and routes are withdrawn	Dave Winstanley	None at D/II		

<b>EG &amp; NS20</b>	Inability to cope with significant increase in homelessness cases due to new requirements by MHCLG to accommodate everyone irrespective of status in order to limit spread of COVID-19 and also increased levels of homelessness due to increased relationship breakdowns and financial difficulties	Pauline Mitchell	None at C/II		See main body of report at paragraph 8 (c) ii
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**RISK MATRIX**

**RESOURCES**

<b>LIKELIHOOD</b>	A Very High				
	B High				
	C Significant		<b>1, 9, 26</b>		
	D Low		<b>2, 3, 5</b>		
	E Very Low				
	F Almost Impossible				
		IV Negligible	III Marginal	II Critical	I Catastrophic
<b>IMPACT</b>					

**RESOURCES RISK REGISTER**

<b>Risk No.</b>	<b>Risk</b>	<b>Responsible Person</b>	<b>Movement in Period</b>	<b>Reason for Movement on Matrix</b>	<b>Progress on Action Plan for Risks Above the Appetite Line that have not moved</b>
<b>RE1</b>	VAT partial exemption breach due to exempt VAT being close to the 5% limit	Elizabeth Davison	None at C/III		
<b>RE2</b>	Fraud in General	Andrew Barber	Reduce to D/III	Reduced from C/III due to low instances of fraud and sound systems in place.	
<b>RE3</b>	ICT security arrangements inadequate	Ian Miles	None at D/III		
<b>RE5</b>	Increased sickness absence adversely affects service delivery	Elizabeth Davison	None at D/III		
<b>RE9</b>	Instability within financial markets adversely impacts on finance costs and investments	Elizabeth Davison	None at C/III		
<b>RE26</b>	Joint Venture Arrangements impacted by a slow down in house building	Elizabeth Davison	None at C/III		