



TO: Audit and Governance Committee

FROM: Director of Finance & Information Technology

DATE: 13 June 2017

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF BRIEFING PAPER Annual Risk Management Report 2016/17

1. PURPOSE

The Corporate Risk Management Strategy and Framework 2015/20 requires the Audit and Governance Committee to approve an annual risk management report which includes consideration of the effectiveness of the risk management arrangements in place within the Council. The Committee's terms of reference also requires it to review progress on risk management at least annually.

2. RECOMMENDATIONS

The Committee is asked to:

- Consider and review the annual risk management report; and
- Agree the conclusion on the overall effectiveness of the Council's risk management arrangements in place during 2016/17.

3. KEY ISSUES

1. Summary

1.1 The Annual Risk Management Report provides the Audit and Governance Committee with a summary of risk management activity that has taken place across the Council over the year ended 31 March 2017. The role of the Forum is to ensure the Council has adequate and effective risk and resilience management arrangements in place to ensure that key business objectives are met.

1.2 The key elements of risk and resilience considered by the Corporate Risk & Resilience Forum (CRRF) are:

- Risk Management;
- Insurance;
- Emergency Planning and Business Continuity (including health aspects);
- Health, Safety and Wellbeing; and
- Information Governance.

1.3 This report covers the work on corporate and departmental risk management arrangements, emergency and business continuity planning,

event management, information governance and insurance. It outlines risk management policies and practices currently in place, activities during the last year directed at achieving the various risk objectives, and details of key actions or developments for 2017/18.

- 1.4 A separate health, safety and wellbeing annual report will be presented to the Committee.

2. Background and Overall Assessment

- 2.1 The Council uses the Institute of Risk Management's definition of risk management, which is as follows:

The systematic process which aims to help organisations understand, evaluate and address risks to maximise the chances of objectives being achieved and reduce the likelihood of failure. It also exploits the opportunities uncertainty brings, allowing organisations to be aware of new possibilities.'

- 2.2 The Council recognises that risk management is not simply a compliance issue, but rather it is a way of viewing its operations with a significant impact on long-term viability and that risk management helps to demonstrate openness, integrity and accountability in all of the Council's activities. It also benefits how we operate, to ensure that key risks are identified, assessed and mitigated.
- 2.3 The details provided in this report provide evidence that overall the Council has adequate risk management arrangements in place and these have operated effectively during the year ended 31 March 2017. Areas for action or development during 2017/18 have been identified in the following sections. These will strengthen the existing arrangements in place.

RISK MANAGEMENT

3. The Corporate Risk Management Process

- 3.1 The Corporate Risk Management cycle is aimed at identifying, analysing, prioritising, managing and monitoring risks which could impact on the delivery of the Council's objectives (i.e. corporate risks).
- 3.2 Corporate risks are those significant risks which could impact on the overall success of Council objectives and priorities, or the vitality and viability of the organisation. Should these risks materialise Members and other stakeholders/partners, including the public will be aware of them and they may affect the reputation of the Council, amongst other significant consequences.
- 3.3 The CRRF, chaired by the Director of Finance & IT, is responsible for oversight of the risk management arrangements across the Council. The Chief Executive and Management Board are responsible for leading and ensuring effective risk management operates consistently across the Council. Each Director is the risk owner for all risks within their Department. Departmental Risk Champions provide support to senior managers to maintain their departmental risk registers. The Champions provide advice on risk management matters to Executive Members, Directors, Heads of Service and other managers within each department or service area. These officers also highlight relevant significant risks included on departmental risk registers to the CRRF for consideration to be included in the corporate risk register. Once agreed these are escalated to the Management Board for approval.

4. Corporate Risk Register

4.1 Corporate risks are those which may impact on the overall achievement of Council objectives and priorities. The CRRF reviews the corporate risk register quarterly to ensure that appropriate corporate risks are identified, assessed and aligned to corporate priorities and objectives on an ongoing basis. A revised risk register format has been used in 2016/17, as part of the implementation of the revised Corporate Risk Management Strategy and Framework 2015/20. The registers now include inherent and target risk scores for each risk and the summary report shows the changes in residual risk score between quarters to enable changes to be tracked.

4.2 The following key changes to corporate risks were made during the year:

- The Emergency Planning and Business Continuity risks have now been separately recorded and assessed (Risks 7 & 7b); and
- The IT Infrastructure/Resilience Risk (Risk 3) has been incorporated into the Business Continuity Risk (Risk 7b) and Failure to deliver a robust medium Term Financial Strategy (Risk 16) has been combined with the updated Risk 1.

4.3 As at 31 March 2017 the Corporate Risk Register contained 15 risks. A summary of all the corporate risks is attached at Appendix 1. The following list shows the number of risks that are aligned to each of the corporate priorities:

Corporate Priority	No of Risks
Jobs	8
Housing	8
Health & Wellbeing	10
Outcomes for Young People	8
Safeguarding Vulnerable People	11
Making Your Money Go Further	11

4.4 As at 31 March 2017 the Council's top corporate risk was the risk of a serious/critical safeguarding incident.

5. Key events and achievements during the year

5.1 During the year corporate risk management support has been delivered by the Audit & Assurance team, under the Director of Finance & IT, to support the achievement of the risk management objectives. Key activities undertaken/achievements during the period include the following:

Corporate/Departmental

- A revised risk register template and updated risk management toolkit was rolled out to improve the corporate risk assessment process. This supports the revised Strategy and Framework 2015/20;
- Improved monitoring of risks is in place via the implementation of the revised Summary Risk Register Report for corporate and departmental risks, which now includes the facility to track changes to residual risk scores;
- Participation in the 2016/17 CIPFA Risk Management Benchmarking to self-assess the Council's risk arrangements;
- The development and implementation of a Counter Fraud Risk Register;
- Ongoing support was provided to Directors and managers regarding the

identification of risks and management of corporate and departmental risk registers;

- Monitoring and review of the completion of departmental risk registers, with associated reporting to the CRRF;
- Audit & Assurance continuing scrutiny and challenge of Directors Management Accountabilities Framework Exception reports, to ensure that risk issues identified have been included in Departmental risk registers;
- Monitoring of the corporate risks and actions, with periodic reporting to Management Board and quarterly reporting to the Audit and Governance Committee; and
- The Road Risk Management Group continued to meet quarterly during the year. As part of its role the Group reviews and monitors management reports relating to fleet vehicles and drivers to identify any themes or training needs.

5.2 During 2016/17 work has also been carried out to complete the implementation of the recommendations from the internal audit review of risk management arrangements which was carried out in 2015/16. In addition, colleagues from Zurich Municipal have provided risk management support to the Council in a number of areas during the year. This has included:

- The completion of an Information Governance Health Check;
- The follow up of the 2014 Motor Fleet Review to assess progress made against the previous recommendations; and
- Support for the Civil Contingencies team to arrange and facilitate the testing of the Council's corporate and departmental business plans.

6. Developments for next 12 months

6.1 The risk management activity planned for the next twelve months includes the following:

- A 'deep dive' assessment of a selected corporate risk by the Audit and Governance Committee at each meeting to improve its oversight and understanding of key corporate risks;
- On-going development of fleet driver and manager awareness and training to ensure robust accident investigations are carried out and minimise the incidence and impact of motor vehicle claims and incidents;
- On-going support for corporate and departmental risk initiatives via the internal risk management fund;
- Continuing the cycle of Departmental risk register reviews and challenges as part of the risk management work carried out by Audit & Assurance staff; and
- A review of the Counter Fraud Risk Register by Audit & Assurance to provide assurance on the risks identified.

7. Review of the Effectiveness of Risk Management Arrangements

7.1 The arrangements, as set out in the Risk Management Strategy, have been undertaken throughout the year and we consider that the Council continues to maintain robust and effective risk management processes. This

conclusion is supported by the results of the 2016/17 CIFPA Risk Management Benchmarking Report. This considered the risk management arrangements in seven strands and assessed the Council's risk maturity in each of these areas. The benchmarking was carried out by the Head of Audit & Assurance, with support from the Head of Service for Policy, Performance and Commissioning in Children's Services and the Housing & Localities Business Support Service Lead. The five assessment categories, from lowest to highest, are Awareness, Happening, Working, Embedded & Integrated and Driving. The Council's results were as follows:

- Risk Management Enablers:
 - Leadership & Management – Working;
 - Policy & Strategy - Embedded & Integrated ;
 - People - Embedded & Integrated;
 - Partnership & Shared Resources – Working;
 - Processes – Working.
- Risk Management Results:
 - Risk Handling & Assurance - Embedded & Integrated;
 - Outcomes & Delivery – Working.

7.2 The Audit & Assurance team will continue to develop the arrangements to address the issues noted from the audit and ensure that the arrangements in place meet the changing needs, risks and pressures that the Council faces.

CIVIL CONTINGENCIES - Emergency Planning & Business Continuity

8 Emergency Planning

8.1 During the year to 31 March 2017, Blackburn with Darwen had several emergency events affecting the community at large. These were:

- Increased security considerations for Council staff and the community as a result of international terrorism events impacting upon UK Nationals;
- A number of ICT outages – variety of reasons – Cyber attack / IP addresses not being recognised / server issues etc;
- Fire at Primrose Hill flats;
- Earnsdale Reservoir landslip and potential consequence of loss of water to Darwen;
- Building collapse;
- Hazardous substance stored incorrectly in schools;
- Property flooding (hot spots) across borough;
- Canal flooding;
- Counter terrorism event in London;
- Planned power outage affecting the Old Town Hall and Tower Block.

8.2 Duty officer statistics for 2016/17 were as follows:

- Local Warnings received = 395 (568 in 2014/15 & 779 in 2015/16);
- Information received total = 173;

- Activations total = 52 (Tactical Officer notified on 12 occasions);
- Total activity = **568**.

9 Key events and achievements during the year

Floods Recovery ongoing

- 9.1 Following the 2015/16 winter storms, which impacted the borough and the North West, the Department for Communities and Local Government (DCLG) provided funding for the affected communities. Almost 15 months on the recovery aspect of this emergency is still being supported by the Civil Contingencies Service and the investigations and applications for funds managed by the Drainage team. To date there are 30 residential properties and 2 business properties affected. Liaison is ongoing directly with DCLG to ensure funds for those impacted will continue to be available in the next financial year 2017/18.

Corporate Exercise

- 9.2 This year the annual corporate exercise focussed on the response to a business disruption event and, therefore, Business Continuity Management (BCM). Exercise Hermes was based upon an escalating ICT malware attack and consequential outage resulting in no availability of ICT/telephony etc. The exercise also focussed initially upon a fire at a local Special School, raising expectations of support from Children's/Education Services whilst responding to the BCM event. The event was well attended by staff and the head teacher of Newfield School. It tested the recently approved Corporate BCM Plan. All departmental business continuity plans were also tested during the exercise. A report with recommendations is being progressed.

Schools Community Resilience Project

- 9.3 This recently developed project is now being rolled out to all of the schools in Blackburn with Darwen. Six schools have taken part to date and we are in discussions with another six schools this term. The project has its roots in Beacon Status/Good Practice. It is aimed at primary school pupils, with a view to raising their awareness of what an emergency is, how to be prepared and how to become self-resilient. The Civil Contingencies Service worked with Education and emergency services colleagues to create a six week session plan to deliver partners key messages via the lessons, which fit with the national curriculum and local themes.

Vulnerable People Communications

- 9.4 The Civil Contingencies Service is continuing to encourage staff to pass on emergency advice and risk communications to the more vulnerable people in the community in conjunction with Public Health and Adult Social Care through the Adverse Weather Group.

Community Resilience Communications – Neighbourhoods

- 9.5 In tandem with the above project the Civil Contingencies Service is working with the Neighbourhoods teams to ensure that "advice, risks and warnings are communicated to the community at large. This will be through text messaging, social media and, where appropriate, word of mouth.

Plan Owners on call

- 9.6 Winter 2016 saw, for the first time, Functional Plan owners on call over the Christmas and New Year period. The rationale for this request was to provide enhanced resilience for the organisation by ensuring that plan owners (i.e.

transport/flooding, etc.) were available over the extended holiday period to provide a response. In previous years the Council had relied upon goodwill from these staff, expecting that they would be available when called upon to respond when not necessarily on a rota. Budget for the Standby payments was sourced from departmental budgets. This request will be submitted to Management Board again in 2017 for approval

Corporate Sandbag Policy Change

- 9.7 In summer 2016 the Civil Contingencies Service received approval from Management Board and Elected Members to change the policy on sandbags. Following the winter floods 2015/16 post emergency de-briefs confirmed that sandbags provide very little or no protection to properties in the numbers that the Council hold and store. Thousands of bags are required to prevent water ingress into buildings; it is also the householder's responsibility to protect their own property. Therefore in autumn 2016 Flood drop-in and awareness sessions were hosted in Blackburn and Darwen. These events were attended by Elected Members, members of the public and some businesses. Letters were issued to all residents and business in flood zone areas to confirm that the Council would not be issuing sandbags for flood protection purposes at all from September 2016.

Community Risk Register Workshop

- 9.8 Multi agency partners attended a workshop to assess the real and perceived risk which may threaten the borough including locations such as V10 Polymers high risk site in Lancashire.

Plan reviews

- 9.9 The Departmental Business Continuity (BC) and Functional Emergency Plans are constantly being reviewed and streamlined. The Emergency Plans now have Standard Operating Procedures (SOPs), whereby a "plan on a page" was requested by the Executive Team to assist them in assimilating information when/if they have to attend the Strategic Co-ordinating Centre at Police Headquarters. This will be replicated for the Departmental BC plans and then a strategic plan on a page showing critical functions and risks will be created for Chief Officer use.
- 9.10 Council staff have provided support and participated in a Public Health hosted Lancashire wide Pandemic Influenza exercise and also supported a large scale Heysham Power station exercise, taking learning from the event.

Enhancing Duty Officer Resilience

- 9.11 The Civil Contingencies Support Officer (a temporary post supporting from October to March) was successful in achieving the Civil Contingencies Officer role in post from 10 April 2017. This has increased the resilience of the Team.

Standby Audit

- 9.12 An HR lead audit is currently underway reviewing staff who are in roles requiring a Standby response. This includes the Civil Contingencies Service. This may have an impact upon the volunteer duty officers (x3) who are not wholly employed in this function, as they are currently remunerated for this additional role they take on.

e-portal Learning

- 9.13 The Civil Contingencies Service is taking advantage of the e-learning portal to promote awareness of the corporate role and expectations of staff in

support of the Civil Contingencies Service. This will be through raising the opportunity to recruit to specific roles or by raising awareness of generic duties for managers etc., to ensure that the Council is more resilient. Introduction to Civil Contingencies is already available.

10 Business Continuity

10.1 The Finance & IT Department has successfully undertaken an exercise to test the departmental BC Plan, in addition to managing various BC incidents which occurred during the year.

10.2 The Council prepared for and managed a planned shutdown of power by United Utilities on 30 March 2017 to upgrade a local store. The outage only impacted the Tower Block and the Old Town Hall. Procedures were implemented in case of the power not coming back for the following day, and business continuity procedures were considered. Staff were prepared and rooms for business critical staff were allocated as appropriate. The EE Texting system was tested prior to being used on the evening to cascade the message to managers (in turn managers to staff) about the result of the power outage. The EE Texting system failed but a Bulk SMS was issued via mobile phone.

Elections planning

10.3 An Elections Contingency plan has been requested to ensure that robust plans are in place in case of an emergency event during the forthcoming elections in 2017. This plan will detail safety procedures to be carried out, and planning in the event of deferral or relocation of the count.

Capita Contract – Business Continuity Implications

10.4 As services come back in-house or are contracted out to external providers, the Civil Contingencies Service is working to ensure that these services are incorporated into revised departmental business continuity plans, and that “key functions” are reviewed to ensure accurate scoring and reflection of appropriate actions in plans.

Corporate Procurement and Supply Resilience

10.5 Supply chain resilience was improved during 2015, with the development of a selection of clauses being written to include in the Council’s standard terms and conditions of contract. These will be used to ensure our key suppliers, especially those supporting our identified critical services, also maintain adequate business continuity arrangements relevant to their size, cost of contract and the level of dependence we have on them.

10.6 Additional advice and guidance for services is being developed to be discussed at a mini workshop/training session at a business continuity meeting for procurement “champions” and business continuity “champions”. This is essential given the number of contracts that the Council already has and the increasing number of commissioning activities the Council will undertake.

External Business Continuity Promotion Support

10.7 Under the Civil Contingencies Act 2004, Local Authorities have a duty to provide business continuity advice and guidance to small and medium sized businesses. This has been low level to date, with one or two firms across the borough approaching the Service for advice. Basic information has been created to promote the Service to local businesses via business rates notices. At a recent event hosted by the Mall 30 businesses were targeted

with this information and the offer of support from the Civil Contingencies Service.

11 Key Additional Developments for the next 12 months

- 11.1 Further Business Continuity promotional work will be undertaken with Strategy & Funding colleagues and the HIVE.
- 11.2 A full Business Continuity template has been developed to enable small and medium sized business in the borough to complete their own business continuity risk assessments and plans. The Civil Contingencies Service will offer support where appropriate. This will be in addition to offering a bespoke service, at a price, to businesses. This bespoke service will involve working with companies to assist them in the business continuity planning process, working towards a comprehensive completed plan and procedures.
- 11.3 Following the numerous ICT outages in Summer/Autumn of 2016 a recommendations report was discussed and approved at Management Board in January 2017. Some of the recommendations included increased agile working for staff and an expectation that “Business Critical Staff” should take their laptops home with them on a daily basis.
- 11.4 Countywide Emergency Response Group (ERG) Volunteer Training will be developed in order to ensure that the community receives consistent support across the county. Every Category 1 Responder has a responsibility to support the community in times of need. The Council has recognised that it cannot always provide a full response to setting up a fully staffed rest centre or information centre when we need to evacuate the community from a place of danger to a place of safety. Therefore the Council is leading on joint working with Lancashire County Council Emergency Planning and Blackpool Unitary colleagues. The end result will be consistent training for all staff, which can be delivered by any of the three organisations; consistent ways of working with the Voluntary sector and a shared understanding of roles. It will also enable the Council to request support from the other two organisations if we need additional ERG Volunteers.
- 11.5 The corporate training programme will continue to be developed and delivered to Chief Officers, Elected Members, Tactical Officers, etc. and Volunteers. As much of this training will be delivered by e-learning packages and supported by face to face training sessions. “A Managers Guide to civil contingencies” and “A basic guide to Emergency Response Group volunteering” will both be available next year.
- 11.6 The Civil Contingencies Service fulfils the “prepare” element of the Contest Strategy (the UK Counter Terrorism (CT) Strategy) utilising the National Risk Register and risk and gap analysis in mitigating consequences of various scenarios i.e. hazardous substances/Chemical, Biological, Radiological, Nuclear/transport accident/mass casualties or mass fatalities – all of which could be a consequence of CT activity. The Council also undertook a review of building security “tailgating”/ access control/ cameras/ door security etc. following the Paris attacks. In partnership with Prevent colleagues the Civil Contingencies Service will undertake Project Griffin training in order to deliver this package to the wider community, staff and local businesses as required. It will seek to promote the “Run Hide Tell” Government hosted information in an appropriate manner.
- 11.7 The Civil Contingencies Service is in the process of creating a “Staff Information Line” to be used in times of emergency to inform staff of welfare

issues or emergencies. This will utilise information held in MyView i.e. staff contact numbers works mobile and personal mobiles to text alert staff to call the Staff Information Line for fuller specific information. This would be activated with Tactical Officer permissions. Messages could relate to “Don’t attend Duke Street because of.....” or “there has been an ICT outage please log on from home”. This is still in the development stage due to delays with staff updating personal information to MyView. It is anticipated that it will be live for use by the autumn 2017.

- 11.8 The Schools Community Resilience Project has now been offered to all Civil Contingency partners across the County, with a “train the trainer” fee to be charged to recoup the development costs expended in the previous 18 months in creating the project. Lancashire County Council and Health partners have shown a specific interest in supporting and delivering this our project. This will be promoted out of county towards the end of the financial year. A webpage will be created specifically for the School project to host all of the information required to enable it to be a stand-alone “off the shelf” package to limit the amount of resources required from the CC Service.
- 11.9 Review and update of the Business Continuity risk information will continue. As the organisation continues to change and redesign itself it is vital that the business continues to review itself and updates the business continuity plans and detail. Services and staff change on a regular basis. Therefore the Civil Contingencies Service will revisit the DMT’s and raise the profile of departmental Business continuity as a regular team discussion and not a once a year review. A risk matrix/plan on a page of Critical Functions and ICT priorities will be created and maintained for Chief Officers to use in times of response.

EVENTS

12 Events Safety Advisory Group (ESAG)

- 12.1 This multi-agency group, chaired during the last year by the Leisure Facilities Manager, is well established and meets every two months to review events across the borough. Membership consists of relevant Council representation; Licensing, Insurance, Countryside Services, Highways, Civil Contingencies, Health & Safety, and external organisations; the Police, Fire & Rescue and Ambulance services. The group acts as a central point for all event notifications, ensuring organisers have a single point of reference to obtain support and advice regarding their event.
- 12.2 The overall aim of the group is to ensure that events operate in a manner that is safe and well- regulated and does not impact on local residents. Secondly to ensure that the reputation of the council and other agencies are protected.
- 12.3 For smaller scale events, which are submitted via the Council website, the group works on a virtual basis reviewing arrangements via telephone / email and providing advice. The Council acts as a gatekeeper for event notifications and then ensures all relevant group members are promptly informed.
- 12.4 The Group has worked proactively with a number of event organisers during the year, ensuring they are fully aware of their responsibilities as organisers and providing advice as to where they can improve their safety arrangements. For larger scale events special ad hoc ESAG meetings have been convened, with the organisers invited to attend. This allows the organisers to outline their plans and for the group to constructively advise and suggest improvements.

- 12.5 One example of this was when organisers submitted an application to hold the Royal Lancashire Show at Witton Park. The Council ensured that the many conditions were included in the Event Management Play and a thorough Traffic Management plan was produced for the event. Approximately 20,000 people attended the event and there was no noticeable impact on the local area.
- 12.6 Various events managed by the Group have taken place during the year. These included the Royal Lancashire Show, Countryside comes to Town, Eid in the Park and Prayers, Darwen Music Live, charitable events and religious parades and the Town bonfire.

INFORMATION GOVERNANCE (IG)

13 Introduction

- 13.1 The IT Compliance and Information Governance team, within the Information Technology Management & Governance Department, has overall responsibility for the information governance framework within the Council. The team also receive and coordinate responses to Freedom of Information (FOI), Environmental Information Regulations (EIR) and Data Protection Subject Access (DP SARs) requests.
- 13.2 In addition, the team is responsible for monitoring information security incidents in relation to the Data Protection Act, reporting any breaches, ensuring that all incidents are thoroughly investigated and that appropriate corrective action is taken. The team are the first point of contact for complaints made about the Council to the Information Commissioner's Office (ICO).

14 Annual requests and clearance statistics for 2016/17 and comparison against 2015/16

		2015/16	2016/17	% Change
FOI	Number received	1148	1214	+5.75%
	Number cleared	1112	1196	+7.55%
	Number on time	1076	1154	+7.25%
	% on time	96.76%	96.49%	-0.27%
EIR	Number received	289	738	+155.36% (*)
	Number cleared	319	759	+137.93% (*)
	Number on time	244	429	+75.81%
	% on time	76.49%	56.52%	-19.97%
Combined FOI/EIR	Number received	1437	1952	+35.84%
	Number cleared	1431	1955	+36.62%
	Number on time	1320	1583	+19.93%
	% on time	92.24%	80.97%	-11.27%
DPA	Number received	673	638	-5.20%
	Number cleared	666	660	-0.90%
	Number on time	627	613	-2.23%
	% on time	94.17%	92.88%	-1.29%

- 14.1 The number of FOI/EIR received in 2016/17 compared to 2015/16 has increased by 35.84%. Some of this is attributed to the way Growth and Prosperity have changed the process for logging Property Searches (*). Each property address searched is now allocated a single reference number, as

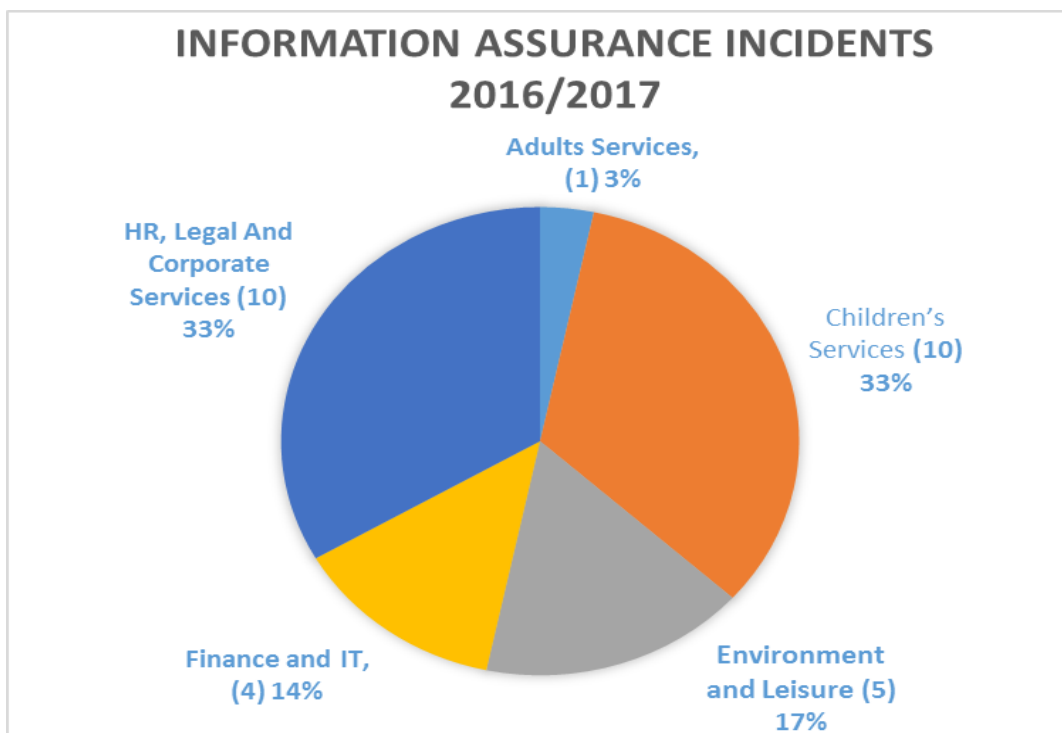
opposed to the previous method of a bulk request for 4 or 5 properties being logged as 1 request. This new way is the correct way to record requests given how much resource is required to respond to 1 property search. The compliance rate for responses answered on time has decreased by 11.27%. Again this is due to the poor clearance rate for property searches. Due to this, the Council have not achieved the minimum requirement for compliance on combined FOI/EIR set by the ICO (85%) in 2016/17.

14.2 The number of Data Protection Act SARs) received in 2016/17 compared to 2015/16 has decreased by 5.20%. The compliance rate for responses answered on time has also decreased by 2.23%. Whilst we remain compliant with the minimum target set by the ICO (85%), our total figure for the period 2016/17 is misleading. The total SARs count includes requests from the Police and other regulatory bodies, which in the main are answered quite quickly. This is masking the falling rate of compliance for the complex subject access requests received in the PEOPLE area. From Q1 2017/2018 onwards IG will amend the way the Council reports compliance with SARs to reflect the issues we are currently experiencing due to lack of resource and a dedicated Records Management function within PEOPLE area, by splitting out Social Care SARs and reporting them as a separate total. It is to be noted that there are currently 33 Subject Access requests that are outstanding for completion. Eight of these requests are over 12 months old. This is an actionable breach of the data subject's rights under Principle 6 of the DPA. The ICO is able to issue enforcement action in relation to this should a complaint be received.

15 Information Assurance Incidents Recorded During 2016/17

15.1 During 2016/2017 there have been 30 recorded information assurance incidents. This is a decrease of 6.25% against 2015/2016. All incidents have or are in the process of being investigated. Remediation plans have been actioned with the exception of one on-going investigation at the year end.

15.2 A breakdown of the incidents by Resource area is as follows:



- 15.3 The IG Team continues to raise awareness to improve working practices and has accepted a voluntary request by the ICO to audit the Council's Breach reporting process. This is scheduled for Quarter 2 2017/18, the results of which will be fed back to the CRRF along with any remediation action plans put in place by the ICO.
- 15.4 There have been no ICO self-reported data breaches recorded within 2016/2017
- 15.5 There has been 1 Complaint issued to the ICO in relation to a data breach by Children's Services. The ICO concluded in this case that the Council carried out the necessary remediation to mitigate any significant distress to the data subject and processes were amended to avoid repetition. No further action was necessary but the ICO stated that the case would be held on file and taken into account should a similar incident occur in the future.

16 Key events and achievements during the year

- 16.1 The following activities and development have been commenced and/or achieved during 2016/2017:
- Successful transition to a new e-learning platform has resulted in better management information allowing the Council to demonstrate compliance with the requirement to have mandatory training in Data Protection and Information Security. Progress will continue to be monitored as we enter the appraisal window for 2017/2018 as this year will show a full 12 month data capture for the first time. Discussions are already underway in relation to new content for 2018/2019 in order to refresh the courses, enabling a better user experience more relevant to the daily functions of employees within BWDBC.
 - The datashare website has been operational for just over 2 years. Datasets have been uploaded where required. £500 monthly spend is routinely updated every month by IG. Quarterly Contracts information is being generated by Procurement but to date is yet to have a refreshed dataset published for 2017/2018. This is being chased by IG. In addition to the recommended datasets for Local Government transparency, we have assisted the Parish Councils by including their required publication datasets to our Datashare, as well as allocating each Parish a page on our corporate internet site to publish their minutes, accounts and agenda's. Frequently requested FOIs continue to be monitored and IG are actively encouraging departments to consider routine upload to the Transparency pages in order to reduce the burden of repeat FOI requests.
 - The IG Team secured 28 education establishment contracts for the Information Governance for Schools SLA 2016/2017. The breakdown comprised of 1 Nursery, 27 Primary, 1 Special and 1 Secondary School. Revenue target for 2016/17 was set at £20k, which is a 100% increase on the target of £10k set last year. 2016/7 saw 5 further schools taking up the service for the first time. Schools IG team secured £16,825 for the period. (This figure included ad hoc twilight training).
 - IG are assisting with the Data Access Advisory Group (DAAG) application for NHS Number Matching service for Adult Social care to enable the Council to have a consistent unique identifier for all our service users enabling smoother integration with NHS Service provisions. This was a long and complicated process, however, IG have had assistance from

Leeds and Calderdale Authorities in compiling an application form that could potentially be approved by the DAAG panel. This has been submitted to the panel and is due for review on 29th April 2017.

- NHS IG Toolkit –V14 evidence gathering is complete. IG has submitted the toolkit and is awaiting confirmation from HSCIC as to whether this is accepted.

17 Developments for next 12 months

17.1 The following activities are scheduled for the period 2017/2018.

- The General Data Protection Regulations (GDPR) will replace the EU Data Protection Directive on 25th May 2018 without the need for any national legislation to be enacted. It will supersede the Data Protection Act 1998 unless the Government takes specific measures prior to the GDPR taking effect. The IG team have created an initial Gap Analysis showing the Council's current compliance with new GDPR requirements. This has been issued to the SIRO and the Audit and Governance Committee. Compliance with GDPR is going to take a considerable amount of resource. Corporate Risk 13 was updated in March 2017 to reflect this. IG will continue to work through the requirements, updating processes and policies for the next 11 months until the date of GDPR implementation. Regular updates will be posted on the intranet. Priorities for Q1 2017/18 will include:
 - Ensuring the Council is aware of its responsibilities;
 - Identifying and appointing a Data Protection Officer;
 - Reviewing all of the Council's privacy notices;
 - Complete review and update of the Information Asset Register;
 - Review of Subject Access Requests process to take account of changes to processes (including timescales to complete);
 - Review of Data Collection forms to demonstrate that 'consent or 'explicit consent' has been given;
 - Review of all Privacy Impact Assessments and the process for ensuring they are completed for all processing of personal data;
 - Training for all Information Asset Owners; and
 - Review of the template contract wording in relation to liability for data losses in relation to commissioned data processors.
- Production of a GDPR bulletin to enable the dissemination of the Council's current status and immediate action plan under GDPR has been posted to the Council Intranet. Subsequent monthly updates will be presented here.
- IG is facilitating an Information Asset Owner training session with support from a Zurich Municipal Risk management colleague. Training is required to reflect issues arising from GDPR and importance will be placed on a substantial review of the Information Asset Register. IAO availability will need to be ascertained before formally arranging the training dates, and full buy in will be required in order to facilitate swift dissemination of information to enable the Council to comply with the new legislation.
- The IG Team to date has secured 26 education establishment contracts for the IG for Schools SLA for 2017/18. This is a 7.14% decrease on 2016/17 (loss of 4 gain of 2), with some schools quoting changes in organisational structure, absorption by larger trusts etc. The revenue target for 2017/18 remains set at £20k. We are still confident of additional

take-up during the course of the year as the pressure to be compliant with the new General Data Protection Regulations is realised. We have already prepared a schools bulletin paper due to be released with the Annual Directors Report, and have measures in place to assist schools through the implementation of this new legislation.

- Information Asset Registers are in the process of being updated, initially solely by IG in order to reflect the new requirements in the GDPR to have detailed records of all information assets including how we share those assets and who we share them with. The Register will need to include new items such as legal gateways used in the sharing of data and whether a privacy assessment has been carried out. This is a substantial piece of work which will require intensive resource during quarters 1-3 of 2017/18.

INSURANCE

18 Insurance Policies

- 18.1 Following the completion of a tender exercise for the Council's insurance cover, the February 2017 Executive Board meeting approved the award of the new contract with effect from 1 April 2017. This is a long term agreement for an initial period of three years with an option to extend for a further two.
- 18.2 During the year the Principal Insurance Officer has continued to provide advice and support to departments regarding insurance requirements and claims. She has also attended case conferences to discuss the Council's defence of claims. This input has continued to prove a valuable link between the insurer and the Council as it has allowed us to give guidance to solicitors when settlement may be beneficial and to provide detailed technical support to defend cases successfully.

19 Claims Management

- 19.1 During the year we have provided claims management reports to Directors on a six monthly regular basis to inform them of the trends in volumes and values of insurance claims and incidents received in respect of their areas of responsibility, along with details of open claims over £50,000. In addition, information relating to motor fleet claims and incidents is provided to the members of the Road Risk management group and employer liability claims experience is provided to health & safety colleagues. Ad hoc reports are produced for managers on request.
- 19.2 During 2016/17 the insurance team handled 86 non injury claims in-house, c. This includes 52 highways claims. These were all claims against the Council where, following a review of the evidence provided by departments, the claims have either been refuted or settled in-house. This approach has benefitted the Council by reducing the claims handling costs, of £140 per claim, which would otherwise have been charged by Zurich and improved customer satisfaction and the Council's reputation by dealing with these claims promptly.
- 19.3 In addition to these savings, where possible the Team has requested invoices for repairs etc. to be sent direct to the Council in respect of those being settled, enabling us to recover the VAT. The team was also able to agree ex gratia payments in a number of cases, limiting the cost to the Council. Overall the savings from these initiatives was estimated to be approximately £42,621 for 2016/17. The Council also recovered £14,740 in the period from

third parties for damage caused to Council property and vehicles.

- 19.4 Zurich Municipal engages local solicitors to assist in defending claims. The Principal Insurance Officer attends regular meetings with the solicitors to discuss cases and their defence and they provide detailed information regarding case load management. The solicitors also contest claimants' solicitors' legal fees and costs, saving the Council significant costs. In the last year this has saved £172,118 (37%) on costs initially claimed, an average saving of £10,757.39 per case. It should also be noted that the 2016/17 costs finally paid have increased by 27.1% compared to 2015/16, to a total of £290,757. Defence costs for the same period were £45,608 (15.7% of claimants' costs). This is a decrease compared to 2015/16 (£93,357). The outcomes of claims listed for trial are illustrated in the final chart at Appendix 2.

20 Insurance Claims Experience

- 20.1 Since the implementation of the Jackson reforms in August 2013 we have not experienced any significant increase in the numbers of claims received. Whilst the total number of claims received and incidents reported to the Council during 2015/16 increased slightly compared to the previous year the number of actual claims against the Council reduced in the period. The trends in claims and incidents volumes and values received against the class of business over the last three years are out in the table and charts in Appendix 2.

Class of business	No of Incidents		Claims		Total	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
Employers Liability	0	1	22	21	22	22
Motor	27	14	60	54	87	68
Property	4	16	11	15	15	31
Public Liability	107	84	195	160	302	244
Total	138	115	288	250	426	365

- 20.2 We are continuing to work with departments to ensure that relevant documents are retained and investigations carried out so an adequate defence can be maintained against claims received. If there is no documentation or records available we do not have a defence.

21 Municipal Mutual Insurance (MMI)

- 21.1 A number of years ago the Council was insured by MMI. This company got into financial difficulty and ceased trading in 1992 but maintained the claims arising whilst it was still solvent. In November 2012 the MMI Board of Directors triggered the Scheme of Arrangement as a solvent run-off could no longer be foreseen. After completing discussions with their professional advisers, the Directors concluded that there was no other alternative to insolvent liquidation.
- 21.2 As a result, control of MMI passed to the Scheme Administrator, Gareth Hughes of Ernst & Young LLP, who, in accordance with the terms of the Scheme, undertook a financial review of the Company and, in consultation with the Scheme Creditors Committee, considered the extent to which any levy is to be imposed upon Scheme creditors.

- 21.3 Although MMI note that all claims will continue to be paid until a decision on the levy is made and communicated to the Scheme Creditors, all members who have had historic periods of cover with MMI, were urged to urgently consider their financing arrangements for these periods.
- 21.4 As one of the local authorities who are members of the scheme of arrangement, the Council will be liable to pay any remaining outstanding claims. There are a number of these long tail claims, where the cause is pre 1993, relating to child abuse/failure to remove, asbestos related illness, noise and vibration white finger, which have been subject to numerous legal challenges.
- 21.5 Predicting ultimate claims cost for occupational diseases arising from past exposure is extremely difficult and whilst the current claw back will be 25% it is possible that there could be further claw back over the next 10 to 20 years, as incurred but not reported claims are translated into reported claims.
- 21.6 The scheme of arrangement with MMI was always expected to have a clear run-off. However, the Council previously estimated the potential cost to the Council, if the scheme is invoked, could over £2.0 million at the current calculation, along with any new claims and this is taken into account when the minimum level of balances is reviewed during the annual budget process, and in assessing contingent liabilities when the Statement of Accounts is prepared.
- 21.7 As the scheme of arrangement has now been triggered, since 2014 the Council has paid levies totalling of 25% (amounting to £494,000) on known claims at the time. A provision of £320,000 has also been established against the possibility of the levy increasing to the maximum estimated amount of 28%, retaining £250,000 as an earmarked reserve towards future claims.
- 21.8 As a consequence of the levy, since 2014 the Council has been responsible for self-insuring initially 15% and currently 25% of any future claims. The Council is now required to pay all MMI related claims and associated legal costs as and when these are settled and submit invoices to the Scheme Administrator to reimburse the 75% portion they are responsible for.
- 21.9 The Council receives an annual statement from MMI to update on its liabilities in respect of the Scheme of Arrangement and the Finance department have been kept fully aware of this liability.

4. RATIONALE

Within the Corporate Risk Management Strategy there is a requirement to report annually to the Audit and Governance Committee on the progress of risk management within the Council.

The key issues detailed above provide the members of the Committee with a summary of the elements, key issues and work undertaken by various teams relating to risk management activity across the Council during the year ended 31 March 2017.

The details reported provide assurance to the Committee on the adequacy of the Risk Management Strategy and the associated control environment within the Council.

5. POLICY IMPLICATIONS

As indicated above, this report is part of the requirements of the Corporate Risk Management Strategy. These requirements are constantly being reviewed and updated to reflect the changes that have taken place in respect of the risk management arrangements within the Council.

6. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

7. LEGAL IMPLICATIONS

There are no direct legal implications from this report.

8. RESOURCE IMPLICATIONS

There are no direct resource implications from this report.

9. EQUALITY AND HEALTH IMPLICATIONS

The decisions to be taken do not change policy and do not require any further consideration in respect of equality or health issues.

10. CONSULTATIONS

Members of the Corporate Risk & Resilience Forum.

CONTACT OFFICER: Colin Ferguson, Head of Audit & Assurance

DATE: 2 June 2017

BACKGROUND PAPERS: None