



TO: Audit & Governance Committee

FROM: Director of Finance

DATE: 28 June 2022

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF BRIEFING PAPER Risk Management Report Annual 2021/22

1. PURPOSE

This report informs the Committee members of the risk management related activity which has taken place or been delivered during 2021/22. It provides an overall conclusion on the effectiveness of the risk management arrangements which are in place within the Council. It should be noted that the report reflects the risk position as at the year-end. These arrangements are continually under review as new and emerging risks are identified and assessed for their impact on the Council and its corporate priorities.

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 2021/22.

3. BACKGROUND

The Corporate Risk Management Strategy and Framework 2021/26 requires the Audit & Governance Committee to approve an annual risk management report that 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 activity at least annually.

4. KEY ISSUES

1. Summary

- 1.1 The Annual Risk Management Report provides the Audit & Governance Committee with a summary of the risk management activity that has taken place across the Council for the year ended 31 March 2022. The risk management framework and associated systems and procedures should ensure the Council has adequate and effective risk management and resilience arrangements in place to ensure that key business objectives are met.

- 1.2 The key elements of risk and resilience considered under the framework are:
- Risk Management;
 - Resilience and Emergency Planning and Business Continuity (including health aspects);
 - Information Governance arrangements;
 - Insurance; and
 - Health, Safety and Wellbeing.
- 1.3 This report covers the activities relating to the corporate and departmental risk management arrangements, Council resilience and emergency planning, event management, information governance and insurance. It outlines the risk management policies and arrangements currently in place, activities which have taken place or been delivered during the last year directed at achieving the various risk objectives, and details of key actions or developments for 2022/23.
- 1.4 A health, safety and wellbeing annual report will be presented to the Committee separately.

2. Background and Overall Assessment

- 2.1 The Council uses the Institute of Risk Management's definition of a risk, which is as follows:
- 'A risk is something uncertain - it might happen or it might not. A risk matters because if it happens, it will have an impact on objectives'.*
- 2.2 Risk management is defined as coordinated activities to direct and control the Council with regards to risk. (ISO 31000:2018).
- 2.3 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 effective risk management helps to demonstrate openness, integrity and accountability in all of the Council's activities. In defining risk, the Council also recognises that risk can be the failure to take advantage of opportunities to optimise the achievement of its outcomes and priorities. Therefore, the Council proactively considers positive risks (opportunities) as well as negative risks (threats).
- 2.4 The details given 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 2022. Areas for action or development during 2022/23 have been identified in the following sections. These will strengthen the existing systems and procedures 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 that could impact on the delivery of the Council's objectives (i.e. corporate risks).
- 3.2 Corporate risks are those significant risks that could affect the overall success of the Council's agreed 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, amongst other significant consequences, they may affect the reputation of the

Council.

3.3 The Chief Executive and Corporate Leadership Team are responsible for leading on and ensuring effective risk management operates consistently across the Council. Each Director is the risk owner of all risks within their Department. Advice and support regarding risk management issues is available from the Audit & Assurance team. Directors and senior managers also highlight relevant significant risks included on departmental risk registers for consideration to include in the corporate risk register. These are escalated to the Corporate Leadership Team for consideration and agreement to add to the Corporate Risk Register where applicable.

3.4 The Risk Management Strategy & Framework has been updated during the year. This includes five objectives that have been set to take account of the requirements of the Strategy & Framework. These are set out below, along with evidence of how these are demonstrated in practice.

1. Embed risk management into the culture of the Council so that it is an integral part of the Council's management systems and processes.

- The Corporate Risk Management Policy Statement, Risk Management Strategy & Framework and supporting toolkit are available to all staff via the risk management section of the Intranet.
- Risk management refresher sessions have been delivered to Chief Officers and the Extended Leadership Team.
- Key issues and risks are required to be identified and recorded on the corporate decision making forms. Risk management guidance for decision makers and report writers is included at appendices 4 and 5 of the Risk Management Toolkit.
- The Director of Finance and Deputy Director (Legal & Governance) are required to be consulted and formally sign off on all policy decisions.
- The corporate Partnership Governance Checklist and Protocol ensure a consistent approach to the joint management of risks for significant partnerships that the Council is involved in.

2. Maintain systems and processes to manage risk and contribute to good corporate governance through accurate, relevant and timely reporting on risk management.

- A hierarchy of risks registers is in place.
- The Corporate Leadership Team carry out quarterly reviews of the strategic risks and individual Directors should review departmental risks registers on a quarterly basis.
- Progress on the management of risk, particularly strategic risks is reported quarterly to the Audit & Governance Committee.
- Strategic risks are regularly reviewed and challenged by the Audit & Governance Committee.
- The support that is available from the Council's insurance provider is utilised to provide advice and support on the risk management and insurance arrangements in place within the Council, including independent assurance on specific risk areas.

3. *Maintaining clear roles and responsibilities regarding risk management, including business continuity management.*

- The Council's Constitution outlines the Audit & Governance Committee's oversight of risk management.
- Key risk management roles and responsibilities are set out in the Risk Management Strategy & Framework 2022-26.
- The Corporate and Departmental Business Continuity Plans set out the Strategic and Tactical Officer Groups roles, and Departmental Incident Management Teams responsibilities, as well as those of Directors, Heads of Service and service managers.
- The Chief Executive or relevant Directors are identified as risk owners for relevant strategic risks and are responsible for maintaining risk registers affecting their operational responsibilities including key projects/partnerships.

4. *Develop and disseminate best practice in the management of risk.*

- The Risk Management Framework and supporting processes and procedures have been reviewed and updated during the year to ensure that these reflect current best practice.
- A Corporate Risk Management Policy Statement is in place, which includes a definition of the Council's overall corporate risk appetite.
- The Audit & Governance Committee approves an annual risk management report providing an independent opinion on the effectiveness of the Council risk management arrangements.
- Risk Management support available for the Council's insurer is used to provide advice and guidance to departments on key risk areas.
- Directors complete an annual declaration that they have effective risk management systems in place.
- Audit & Assurance delivers a risk based internal audit programme.
- Audit & Assurance provide support to departments, reviewing the consistency of risk registers and undertaking independent reviews of the risk management process.

5. *Equip Members and officers with adequate skills and expertise to manage risk effectively as appropriate to their role.*

- Tailored risk management awareness sessions have been arranged for Members, Chief Officers and the Extended Leadership Team
- Health and safety training has been delivered to senior managers.
- The Risk Management Toolkit has been reviewed and updated during the year.
- Risk management guidance, updates and links to webinars from the Council's insurer and insurance broker have been circulated to relevant managers to cascade to staff.

4. Corporate Risk Register

4.1 Corporate risks are those that may impact on the overall achievement of Council objectives and priorities. Since November 2021 the Corporate Leadership Team has reviewed the corporate risk register on a quarterly basis to ensure that appropriate corporate risks are identified, assessed and

aligned to the corporate priorities and objectives on an ongoing basis. The corporate and departmental registers identify inherent and target risk scores for each risk and the summary reports show any change in residual risk scores between period ends to enable changes in residual risk scores to be identified.

4.2 A number of changes have been made to the Corporate Risk Register during the year. The details have been set out in the regular update reports provided to the Audit & Governance Committee during the year. The changes are as follows:

- Corporate Risk Number 9 (Failure to improve health outcomes within Blackburn with Darwen could result in the communities health and wellbeing position or conditions deteriorating), has been closed.
- A separate risk specific to the Public Health recovery from Covid-19 has been opened (Corporate risk 23). This has incorporated the measures to reduce health inequalities and improve health outcomes previously included in Risk 9.
- The residual risk score for Risk 21 (The Council's recovery of critical functions etc. during the response and mitigation phases of the pandemic) was reduced from high to medium during the year. Whilst the likelihood of this risk remained high, the assessed impact on the Council was reduced as the Core Covid team was established and fully operational and safe Covid-19 working practices were embedded as business as usual
- A new risk relating to the potential impact on the delivery of the Council's corporate plan priorities and its ability to fully meet service users and other stakeholders needs if it fails to recruit, adequately develop and retain staff has been added (Corporate risk 22) This recognises the increasing challenges the Council is experiencing in this area.
- The risk of failing to respond effectively and proportionately to develop and implement plans/adaptations, within the scope of the Council's control and influence, in pursuit of its ambition to be a Carbon Neutral borough has been added.

4.5 The Corporate Risk Register contained 17 open risks as at 31 March 2022. A summary of the open risks is attached at Appendix 1. The Council's top corporate risks at that date were those relating to the following:

- Failure to deliver a balanced budget and Medium Term Financial Strategy may result in a Government Commission taking control of the authority's finances; and
- A high profile serious or critical safeguarding case that was known to Council services, in light of Covid-19 working practices.

4.6 The following table shows the number of risks that are aligned to each of the Council's corporate priorities:

Corporate Priority	No of Risks
Supporting young people and raising aspirations	6
Safeguarding and supporting the most vulnerable people	7
Reducing health inequalities and improving health outcomes	6
Connected communities	6
Safe and clean environment	7

Strong economy to enable social mobility	8
Supporting our town centres and businesses	4
Transparent and effective organisation	17

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, to support the achievement of the risk management objectives. Key activities undertaken/achievements during the period include the following:

Corporate/Departmental

- Approval and implementation of a Corporate Risk Management Policy Statement, which defines the Council's overall corporate 'appetite' for risk, along with an updated Risk Management Strategy & Framework and supporting Toolkit;
- The continuation of regular 'deep dive' reviews of specific corporate risks by the Audit & Governance Committee to improve its oversight and understanding of these risks.
- Monitoring and review of the completion of corporate and departmental risk registers and changes in risk scores, with associated reporting to the Corporate Leadership team and Audit & Governance Committee.
- Continuing development of the Management Accountabilities Framework Dashboard reporting arrangements aligned with development of the Corporate Plan reporting and monitoring arrangements.
- On-going scrutiny and challenge of Directors Management Accountabilities Framework Dashboard reports, to ensure that risk issues identified have been included in Departmental or Corporate risk registers.
- Continuing use of the risk management support available from Zurich Municipal to support the risk management arrangements in place in the Council. This has included:
 - Health & Safety at Work training for senior managers to enable attendees to understand the importance of health and safety in the workplace and their role in reducing risk and influencing behaviour;
 - Risk management awareness refresher sessions for Chief Officers and senior managers.
 - Seeking advice on the risk management and insurance implications on Council activities and services due to the impact of or response to the pandemic;
 - The circulation of insurance and risk management advice and guidance to managers; and
 - Circulation of ZM and insurance broker risk management webinars to relevant colleagues across the Council to support training and awareness raising.

6. Developments for next 12 months

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

- Institution of Occupational Safety and Health (IOSH) training for Directors.

- Utilising the risk management support available from Zurich Municipal, to provide risk management awareness training for members and a cyber security health check on the Council's network and IT infrastructure along with on-going identification of additional areas for review or to provide support.
- Continuing the 'deep dive' review of corporate risks by the Audit and Governance Committee on a regular basis during the year.
- Introduction of a risk management eLearning package for managers and staff.
- Implementation of a claims dashboard for Chief Officers and senior managers using PowerBI.
- Including of risk management in the staff induction handbook.
- Continuing review of management information relating to the use of the Council motor fleet and related insurance to identify themes, driver training needs and minimise the incidence and impact of motor vehicle claims and incidents.
- Continuing the cycle of Departmental risk register reviews and challenges as part of the risk management work carried out by Audit & Assurance staff.
- 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 & Framework, have been undertaken throughout the year as illustrated by the examples noted in this report. We consider that the Council continues to maintain robust and effective risk management processes.
- 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 2022, Blackburn with Darwen had several incidents affecting the community at large. These included:
- Death of a Significant National Figure – Operation Forth Bridge.
 - Various Fires/Operation Merlins' – V10 Polymers, Chadwick Street Garage, Worcester Road, Fleece Inn all of which impacted on the local community.
 - Loss of electricity to King Georges Hall.
 - Storms Arwen, Dudley, and Eunice.
 - Flooding due to lock gate being left open.
 - Flash flooding Duchess Street, Billinge End.
 - Power outage affecting 311 residents in Darwen.
 - Mains water leak Whalley Old Road.
 - Grenade found in Mill Hill – bomb squad attended.
 - School closures due to water damage, loss of water utilities, and flooding.

- Avian Flu – awareness sharing of information due to national outbreak.

8.2 Duty officer statistics for 2021/22 were as follows:

- Warnings received = 665;
- Information received total = 253;
- Activations total = 51 (Strategic Officer notified on 5 occasions); and
- **Total activity = 918** (*last year total 936*).

9 Key events and achievements during the year

Corporate Exercise

9.1 Last year the annual corporate exercise was cancelled due to Covid-19. However, we have been able to undertake an exercise this year, which specifically focussed upon flooding impacts to the community and allowed council departments to activate their plans as well as received training from key external partners.

COVID-19 Response

9.2 The Resilience & Emergency Planning Service (R&EPS) have continued to support the Council's response to Covid-19. The R&EP Manager continued to work with the BwD Core Team directly supporting/leading the response for the Council, working with Work Stream leads in different strands and themed areas.

9.3 Departments (Directors and all staff involved in the response) have been requested to keep a log and record of all decisions related to Covid-19 as good practice and as part of their emergency response training, and to support good practice and learning lessons. The R&EPS have been providing support to collate all of this information throughout the response phase to create a single location for the information. This will help support the Public Inquiry which has now been announced.

Covid-19 - Recovery Co-ordination Group (support to Chief Executive)

9.4 The Lancashire Resilience Forum (LRF) has continued to remain in the Recovery phase of the Covid-19 emergency. The Council's Chief Executive continued to chair the Recovery Co-ordination Group until it was handed over in March 2022 to the Chief Executive of Pendle Borough Council. This is a Lancashire-wide multi-agency group reporting on progress made against recovery objectives.

9.5 The R&EPS are supporting the Chief Executive in this "external" function and will be facilitating an internal debrief of the response. All lessons identified and recommendations of good practice or areas for improvement will be addressed by departments to embed in normal practices and plans as appropriate. The outcomes will also help shape a final 2 year report covering all aspects of the pandemic.

Plan reviews

9.6 All of the Departmental Business Continuity (BC) Plans and the risk specific Emergency Plans were reviewed over the last 12-18 months, or are currently being reviewed with their plan owners. Where there is an LRF plan that is viable and can be used locally, we have removed the BwD plan. Where the structure of the organisation has changed this determines a refresh of the BC departmental plans to reflect that changes made.

- 9.7 The Corporate BC plan was fully refreshed to reflect arrangements in place for the Covid-19 response and as we move through recovery
- 9.8 The Community Risks (Community Risk Register) are being reviewed by R&EPS at the same time. The work of the service is risk driven, therefore there has to be a medium / high / very high, level risk in order for there to be a plan to mitigate or reduce the risk.
- 9.9 The BC audit process will be undertaken Q1 and Q2 of 2022/23. It has been postponed due to Covid-19.

Schools - Emergency Planning

- 9.10 The R&EPS continue to deliver annual training and awareness sessions to all schools within the borough. This agreement, with Education Services, is to deliver a specific package of training and exercising to all schools, including all Free, Academy and Independent schools. This will ensure consistency in the approach to emergency planning and awareness training across the whole school sector.
- 9.11 A training session on Emergency Planning/Business Continuity has been delivered to schools. This will be followed, at the end of the academic year, by three repeated sessions on exercising the schools' emergency plans against different scenarios. Schools can choose which plan exercising session they wish to attend.
- 9.12 This year has seen the launch of the Schools SLA too, so far 6 schools have purchased this service, some of which are on a 3 year deal. It is hoped that the number of schools purchasing this service will continue to grow year on year.
- 9.13 As part of the support to schools we provide them with:
- Plan templates;
 - Training;
 - Exercising;
 - Ad hoc support training etc;
 - 24/7 contact number;
 - Reassurance calls/visits; and
 - Response to Emergencies – Gas cloud etc.

Standby arrangements review

- 9.14 As per previous reports, the Council's standby arrangements were reviewed in their entirety in 2019. The need for a standby system, associated policy/guidance, shifts system, payments, and training was reviewed and taken to Management Board for discussion. It was agreed that there was a need for Standby arrangements to be in place but that specific service areas should be reviewed and core services should work together in a "hub and spoke" model. Progression of this element has been delayed due to the Covid-19 response, but will be picked up again later in the year. Within that, we are also currently reviewing rotas for Strategic Officers' and Plan Owners and hope to have a more streamlined model rolled out during the year.
- 9.15 Statistics are expected from all service areas involved to ensure consistency in approach and response where possible. These are reviewed at six monthly intervals.
- 9.16 A single location for all rotas, data and information relating to Standby has

been created on SharePoint, which all officers have access to.

- 9.17 The R&EPS are now sitting alongside the Health and Safety team, to ensure close working between colleagues and will have a closer review of the departmental BC plan

10 Key Additional Developments for the next 12 months

School's Community Resilience Project (SCRP)

- 10.1 Continue to promote the SCRCP nationally, as accepted "good practice" by the Civil Contingencies Secretariat at the Cabinet Office and national partners, via Resilience Direct and in co-ordinated briefings to external partners. There is also the intention to resurrect the "Question Time" feature of the project again, utilising these events to highlight to national partners as an opportunity to observe in practice.

National Risk Register (NRR)

- 10.2 The direction and work of the R&EPS is driven by risk. The Civil Contingencies Act 2004 features Risk Assessments as one of its seven duties placed upon Category 1 Responders (which includes Local Authorities). The Council works alongside the LRF to assess the National Risk Register, understand what risks we face within Lancashire and what we have to do to mitigate these risks. The latest version of the NRR was issued by the Cabinet Office in 2019 and includes latest changes from National Security Risk Assessment (2019). However, the Local Risk Management Guidance, which allows us to start to assess and implement the NRR in the correct way, was only received in December 2020. Currently the LRF and the Council are assessing risks, and undertaking gap analysis for plans, procedures, training etc. Any gaps for additional training or processes and plans will be managed as we progress.

Elections Preparedness 2022

- 10.3 The R&EPS is supporting the Elections team in preparing an Emergency Plan to support planning and processes in case of a power outage, protests, loss of building or loss of staff, as well as ensuring ant relevant Covid19 arrangements are in place.

Review of the Civil Contingencies Act (CCA) 2004

- 10.4 An independent review of the Civil Contingencies Act 2004 and its supporting arrangements was undertaken in 2021. The team was involved in the consultation alongside the LRF. A report was published on 24th March 2022 by the National Preparedness Commission. The report makes 117 recommendations, which would make a significant contribution to building the UK resilience so it is fit for a more difficult future. However, the report was very complimentary about local arrangements for Resilience and Emergency Preparedness. They believe that the estimated total cost of the recommendations would be £30-35m per year, and continue to push for the recommendations to be delivered, especially those that directly support the work of the Resilience Partnerships.

- 10.5 In addition to the review of the CCA, the Government also set out its ambition in the 2021 Integrated Review (IR), which included an overarching objective on building resilience at home and overseas, improving our ability to anticipate, prevent, prepare for and respond to risks ranging from extreme weather to cyber-attacks. Key points to note are:

- A key commitment of the IR is to develop a new Resilience Strategy, new vision and approach for the UK's resilience to 2030. The CCA will be one of the issues that will be considered.
- The IR also set out a commitment to 'consider strengthening the role and responsibilities of local resilience forums in England'. This work is already underway i.e. Local Stakeholders Engagement.
- The CCA review is something that will support the commitments set out in the IR.
- The findings that are not addressed by the IR will be considered as part of the development of the Resilience Strategy and broader work on the LRF reform.

- 10.6 The team took part in the Resilience Strategy 'Call for Evidence' to support the UK's Integrated Review of Security, Defence, Development and Foreign Policy and also in the Cabinet Office 'Big Resilience Conversation'. The evidence collected informed the process of determining what changes are needed to support the local tier and wider ambitions of UK resilience.
- 10.7 We expect that the roll out of any amendments or additions following the reviews to take around 2 years. We will be keeping a watching brief on this and include any changes within our planning.

EVENTS

11 Events Safety Advisory Group (ESAG)

- 11.1 This multi-agency group, chaired by the Leisure Facilities Manager, is well established and meets on a bi monthly basis to review events planned across the Borough and debrief events that have occurred. The Group is attended by representatives from many Council Departments including Public Protection, Highways, Licencing, Insurance, and Emergency Resilience, as well as the three Emergency 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. The members of the Group are aware that they play an important role and challenge, where necessary, plans that are not thorough or contain insufficient detail, to ensure that all quality standards are met.
- 11.2 Registration of events is stringent, with organisers required to submit Event and Traffic Management plans and insurance details, which are scrutinised by all members of the Group. In addition, the organisers of large events are invited to an ESAG meeting, to be interviewed by the members. Once this is all complete, the Group signs off the event. This is done in order to ensure safe and well managed events are conducted and to protect the Council in terms of its reputation and any risk possibilities.
- 11.3 The Chair has recently introduced pre-event multi agency site visits to the large event sites to ensure the events are as safe as possible and to deal with any last minute issues. This is working well.
- 11.4 During 2021 much of the events program was cancelled due to the Covid pandemic, meaning all the planned events including music festivals and fairgrounds were cancelled until mid May, which followed the Government Covid exit roadmap. This coming year, now that restrictions have ended there is a full and wide ranging program of events across the Borough that is designed to cater for not only residents of the Borough but attendees from across the UK. The expected interest in tickets, with residents wishing to get out and enjoy events again has seen a 5000 ticket sell out for the first music

festival at the end of April and tickets for the June Restricted Forrest festival selling well. A significant number of other Fairgrounds and Festivals are now coming through, including the Festival of Making, Darwen Live and Queens Jubilee street parties.

- 11.5 The ESAG group are keen to show that the Borough is open again for events post Covid 19 and has been asked, where possible by the Chair, to assist event organisers with their event management plans and organisation. The intention is to bring back the feel good factor with many events at new venues across the Borough. The importance of safe, well managed events cannot be underestimated in improving resident’s health and wellbeing, adding value to the night time economy and improving the feel good factor of living in the Borough by delivering a “City” standard events program.

INFORMATION GOVERNANCE (IG)

12 Introduction

- 12.1 The Information Governance and IT Compliance team, within the Digital and Business Change Department, has overall responsibility for the information governance framework within the Council. The team also receives and coordinates responses to Freedom of Information (FOI), Environmental Information Regulations (EIR) and Data Protection Subject Access (DP SARs) requests.

- 12.2 In addition, the team is responsible for monitoring information security incidents in relation to the Data Protection Act (DPA), reporting any breaches, ensuring that all incidents are thoroughly investigated and that appropriate corrective action is taken. The team is the first point of contact for complaints made about the Council to the Information Commissioner’s Office (ICO).

13 Annual requests and clearance statistics for 2021/22 and comparison against 2020/21

		2020/21	2021/22
FOI	Number received	1373	1123
	Number due	1356	1103
	Number on time	1249	1048
	% on time	92.11%	95.01%
EIR	Number received	2090	1706
	Number due	1899	1730
	Number on time	1393	1695
	% on time	73.35%	97.98%
Combined FOI/EIR	Number received	3463	2829
	Number due	3255	2833
	Number on time	2642	2743
	% on time	81.17%	96.82%
DPA	Number received	308	275
	Number due	301	273
	Number on time	270	254
	% on time	89.70%	93.04%

- 13.1 The number of FOI/EIR requests received in 2021/22 has decreased by 18% compared to 2020/21. FOI compliance rates were above the mandatory requirement rate of 90%, with a rate of 95.01% responded to on time. EIR

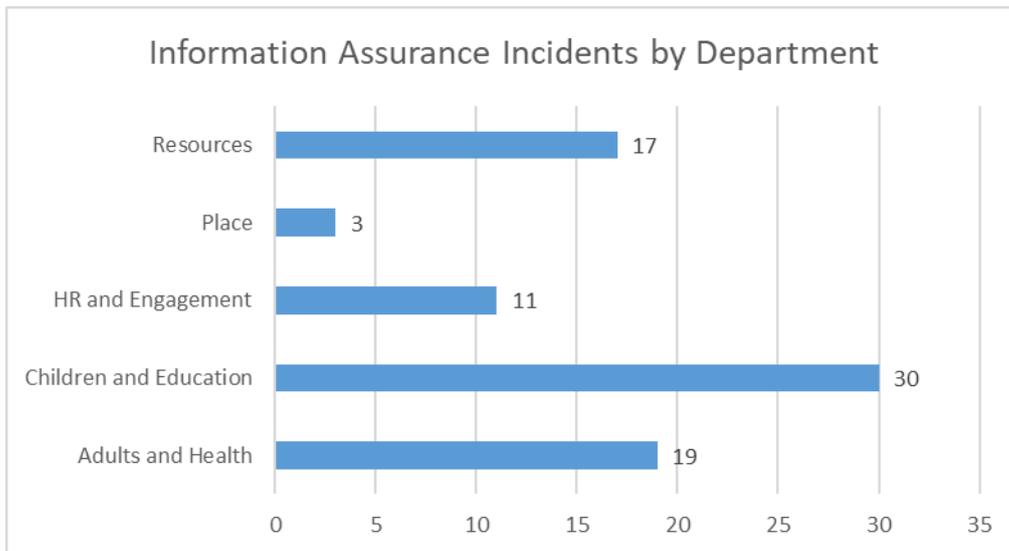
compliance rates have vastly improved from last year with a compliance rate of 97.98%.

13.2 The number of DP SARs received in 2021/22 has decreased by 11% compared to 2020/21. The compliance rate over this period has improved to 93.04% due to increased resource support from the Corporate Information Governance Team, who continue to assist with Subject Access Request responses. There remains a backlog of 20 outstanding historical requests that run an increased risk of escalation to the ICO.

14 Information Assurance Incidents Recorded During 2021/22

14.1 There were 80 recorded information assurance incidents in 2021/22. This is a 15% percent decrease against 2020/2021 (94).

14.2 The breakdown of all incidents during 2021/22 by department is as follows:



14.3 There were three complaints made to the ICO during 2021/22. This is an 80% percent decrease against 2020/21 (15). Two complaints have been resolved with no further action. One complaint is awaiting the allocation of a caseworker at the ICO. Complaints to the ICO were recorded in the following areas:

Resource Area	Number
Place	2
HR & Governance	1

14.4 There were no recorded data incidents in 2021/22 that required the Council to self-report to the Information Commissioner (1 in 2020/21).

15 Key events and achievements during the year

15.1 **Schools Update.** As of the 14 April 51 of the 56 schools who bought in Information Governance support last year have again signed up for the service level agreement (SLA). One nursery has declined to renew as they are now formally part of an infant’s school that has already bought in. Another primary school has re-joined the SLA after withdrawing for 2021/22. Of the two School Trusts we support one has already bought in and we are

awaiting confirmation that the second will be buying back in although it is our understanding this will be happening once the new Finance Manager is in post in late April. At present the income received is £47,002 with another £6,311 due if the remaining primary schools and Trust complete their SLA renewal.

- 15.2 Forty-four schools have been audited during 2021/22 with a further five planned. Unfortunately, due to Covid and other availability reasons, audits for the remaining schools have been cancelled and have not yet been rescheduled. Work is ongoing to try to ensure these are completed in the current academic year.
- 15.3 The 2022/23 audit cycle is intended to revisit the information governance/data protection policies and procedures and will include a full review of model policies including new guidance on passwords and cyber security awareness. The e-learning package available via the SLA has been updated to include a section on Cyber Security.
- 15.4 **The NHS Data Security and Protection Toolkit (DSPT)** is a performance tool produced by the NHS. It draws together the legal rules and central guidance of Information Governance and presents them in one place as a set of Information Governance requirements. Organisations are required to carry out self-assessments of their compliance against the Information Governance requirements. The Council submission for 2022/23 has been published. Standards are currently met. The Council's Data Protection Officer is awaiting confirmation from the NHS to see if any of our submission will be subject to audit.
- 15.5 **A new 2022/23 IG Policy and Strategy** has been drafted and issued to DMT/SIRO for review. There will be a period of feedback prior to escalation to Policy Working Group/LJNCC for approval. It is envisaged that this policy document should be issued to all users and will require the support and backing of all HOS and Senior Officers in their capacity as Information Asset Owners.
- 15.6 **Information Asset Owners (IAO) Training.** IAOs will shortly be invited to complete the new Data Confident online training. This replaces the outdated Information Asset Owner training. A team talk article is in the process of being drafted. This will be distributed during Q1, to align with the 2022/23 Information Governance Policy and Strategy release.
- 15.7 **New IG and Cyber Security training** has been uploaded to Me Learning and has been pushed out for completion to all staff. A Teamtalk article has been published encouraging completion. Head of Service management instruction is required to ensure that the training is completed before the end of Q2 2022/23.
- 15.8 **Members IG and Cyber Security Training** has been reviewed to deliver a more relevant and tailored training experience. IG have offered to deliver a face-to-face training overview at the next scheduled member's induction meeting. Members will receive guidance and real examples of potential governance issues they may face in both their committee positions and when they process personal data in their constituency. IG will impress at this meeting how important it is to complete the Information Governance and Cyber Security training.
- 15.9 **The Transparency DataShare** is due to be updated to populate the required datasets required for 2020/2021. IG will continue to encourage departments

to consider publication of datasets where they are routinely required to produce FOI responses in order to avoid costly impact on resource. IG will work with those departments where frequent FOIs have been identified to suggest a timetable for publication. New datasets for the 2021/22 publication will be due by the end of June 2022.

INSURANCE

16 Insurance Policies

- 16.1 The Council continues to have its main insurance covers with Zurich Municipal under a long-term agreement (LTA), which commenced on 1 April 2017. Work will be carried out during 2022/23 to re-tender for the insurance requirements to ensure that the new arrangements are in place when the current agreement ends on 31 March 2023. Terrorism cover is provided separately by a Lloyd's syndicate, via Aon Crisis Management, with other minor policies provided by specialist providers.
- 16.2 During the year, the Insurance Team has continued to provide advice and support to departments regarding insurance requirements and claims. The team has also liaised with key contacts in relevant departments, Zurich and relevant solicitors to discuss and provide appropriate evidence to support the Council's defence of claims. This input has continued to prove a valuable link between the insurer, their appointed solicitors 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.

17 Claims Management

- 17.1 Details of employer liability claims and incidents were provided to health and safety colleagues and ad hoc claims reports were produced for managers on request during the year. Work in underway to develop a claims dashboard to provide up to date claims data to Chief Officers and senior managers.
- 17.2 During 2021/22 the Insurance Team were notified of 216 non-injury claims and incidents that were managed in-house. This compares to 185 of this type reported in 2020/21. The figure includes 73 for adopted highway and other highways related matters and 59 relating to motor vehicles. These include cases where claims have been refuted, as the Council has an appropriate defence. Following a review of the evidence provided by departments eight were settled during the year, totalling £5,603, compared to eight in 2020/21 totalling £4,454. This approach has benefitted the Council by reducing the claims handling costs of £140 per claim, which would otherwise have been charged by Zurich to handle these on the Council's behalf, and improved customer satisfaction and the Council's reputation by dealing with these claims promptly.
- 17.3 In addition to these savings, where we do not have a defence, where possible the Team has requested invoices for repairs etc. to be sent direct to the Council in respect of those claims being settled in-house, enabling us to recover the VAT.
- 17.4 Zurich Municipal engages local solicitors to assist in defending claims against the Council. The Insurance team liaises with the solicitors to discuss cases and their defence and the solicitors provide detailed information regarding caseload management. They also contest the costs of settlements including claimants' solicitors' legal fees and costs, saving the Council and our insurer's significant sums.

17.5 In the last year this has saved £34,733 on costs initially claimed, an average saving of 12.5% per claim. It should be noted that, since the introduction of fixed recoverable costs, most costs claimed cannot be significantly challenged and are calculated by a fixed predictable costs matrix. The solicitors have also made significant savings on final settlements compared to total initial reserves in respect of cases settled in the year amounting to £1,115,956, a saving of 58%. The outcomes of billed claims are illustrated in the final chart at Appendix 2.

18 Insurance Claims Experience

18.1 The numbers of claims and incidents notified to the Insurance team in the last three years are set out in the table below. The trends in claims and incidents volumes and values notified to the Council over this period, grouped by the class of business, are also set out in the table and charts in Appendix 2.

Class of business	No of Incidents			No of Claims			Total		
	19/20	20/21	21/22	19/20	20/21	21/22	19/20	20/21	21/22
Employers Liability	1	5	1	3	6	4	4	11	5
Motor	64	24	47	25	28	30	89	52	77
Other	0	0	0	1	1	2	1	1	2
Property	9	11	16	15	27	15	24	38	31
Public Liability	110	74	96	130	103	87	240	177	183
Total	184	114	160	174	165	138	358	279	298

Class of business	Total Potential Value of Claims		
	19/20	20/21	21/22
Employers Liability	87,466	70,450	37,241
Motor	52,221	132,921	79,245
Other	8,000	0	3,524
Property	3,941,448	136,895	159,952
Public Liability	891,732	1,469,633	996,109
Total	4,980,867	1,809,900	1,276,071

18.2 Injury claims may be made up to three years after the date of the event leading to the claim, or, in the case of long tail injury claims (i.e. those claims which are made or settled a long time after the related policy has expired), three years after the person first became aware they have suffered the injury. Claims of this type include noise/hearing loss, hand arm vibration, and asbestos related illnesses. Claims relating to children, can be received up to three years after the young person's 18th birthday. Non-injury claims may be made up to six years after the date the loss/damage occurred.

18.3 In July 2019, the Government announced a change in the Discount Rate used to calculate the payments of any long-term injury claims under motor, public and employers liability cover, raising this from -0.75% to -0.25%. The revised rate was effective for claims settled from 5 August 2019. The change to the Rate was prompted by the Civil Liability Act 2018, which came into force in December 2018. It provided for a review of the Discount Rate with a

deadline of 6th August 2019 to announce any new rate.

- 18.4 Whilst the change will lead to savings for defendant insurers, (estimated to be between £230m and £300m), it was not quite as much as the industry had hoped for and still leaves claimants in a far better position than they had faced before March 2017. The change is reflected in the total costs of claims figures reported. This affects the amount paid under personal injury claims and where damage levels are set by the Courts.
- 18.5 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.

19 Municipal Mutual Insurance (MMI)

- 19.1 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.
- 19.2 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 was to be imposed upon Scheme creditors.
- 19.3 Although MMI note that all claims would continue to be paid until a decision on the levy was made and communicated to the Scheme Creditors, all members who had historic periods of cover with MMI, were urged to urgently consider their financing arrangements for these periods.
- 19.4 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 as and when required. There are a number of these long tail claims, where the cause is pre 1993, relating to child abuse/failure to remove cases or health related issues such as asbestos related illness, noise and vibration white finger, which have been subject to numerous legal challenges.
- 19.5 Predicting ultimate claims cost for occupational diseases arising from past exposure is extremely difficult and whilst the current claw back from the Council 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 over this time.
- 19.6 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 be over £2.3 million at the current calculation, along with any new claims. 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.
- 19.7 As the scheme of arrangement has now been triggered, since 2014 the Council has paid levies totalling 25% (amounting to £494,000) on known claims at the time. A provision of approximately £323,000 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.

- 19.8 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.
- 19.9 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.

5. 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 2021.

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

6. 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.

7. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

8. LEGAL IMPLICATIONS

There are no direct legal implications from this report.

9. RESOURCE IMPLICATIONS

There are no direct resource implications from this report.

10. 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.

11. CONSULTATIONS

Members of the Statutory Governance Officers Group.

CONTACT OFFICER: Colin Ferguson, Head of Audit & Assurance

DATE: 17 June 2022.

BACKGROUND PAPERS: Corporate Risk Management Strategy and Framework
2021/26