



**TO:** Audit & Governance Committee

**FROM:** Chief Executive

**DATE:** 11 July 2023

**PORTFOLIOS AFFECTED: All**

**WARDS AFFECTED: All**

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**TITLE OF BRIEFING PAPER Risk Management Report Annual 2022/23**

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**1. PURPOSE**

This report informs the Committee members of the risk management related activity which has taken place or been delivered during 2022/23. 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 2022/23.

**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 2023. 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 2023/24.
- 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 appropriate evidence that, overall, the Council has adequate risk management arrangements in place and these operated effectively during the year ended 31 March 2023. Areas for action or development during 2023/24 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 Strategic 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, the Extended Leadership Team and elected members during the period.
- 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 Strategic Director, Finance & Resources and Deputy Director (Legal & Governance) are required to be consulted on, and formally sign off 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 and key contacts 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 responsibility for the 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.
- Key contacts are identified for all risks.

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

- The Risk Management Framework and supporting processes and procedures were reviewed and updated Q4 2022/23 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 overall opinion on the effectiveness of the Council's corporate 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 delivered to elected Members, Chief Officers and the Extended Leadership Team during the year by colleagues from Zurich Municipal.
- Health and safety training has been delivered to senior managers.
- The Risk Management Toolkit has been reviewed and updated during the year. Details were communicated as part of the risk management awareness sessions.
- 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 during the year.

## 4. Corporate Risk Register

4.1 Corporate risks are those that may impact on the overall achievement of Council objectives and priorities. The Corporate Leadership Team continues to review the corporate risk register on a quarterly basis to ensure that the risks identified are appropriate, adequately assessed and aligned to the corporate priorities and objectives on an ongoing basis. This includes consideration of new and emerging risks to determine if these should be added to the register. 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:

- The residual risk score for risk corporate risk 14 (High profile serious/critical safeguarding incident/case that is known to Council services) was reduced. Whilst the impact on the Council remained high, if a serious safeguarding incident occurs, management considered that the level and strength of the controls in place to manage this risk effectively were good and therefore the likelihood of such an event occurring was reduced because of this. The reduced score better reflects this.
- The residual risk score for Risk 17 (Cyber) was increased. This change takes account of the increased risk of attacks by Russia and other nation states, groups and individual cyber threat actors that have been targeted at Government and other public bodies and a detailed analysis of BwD preparedness and ability to recover from an attack quickly.
- Corporate Risk Number 18 (Insufficient budget for service delivery if MTFS income targets from the Growth Agenda are not met). The residual score for this risk was increased from medium to high. This was considered a high risk area given the prevailing market conditions of high inflation and increasing interest rates, as well as the possibility of a recession signalled by the Bank of England during the year. Income generation is directly linked to securing capital receipts from the disposal of sites for house building and for commercial developments. If the predicted recession does occur it is likely to significantly impact this area
- A new risk was added relating to the impact of cost of living increases on the local community and the implications of this on Council services and budgets. Increases in the cost of energy and the high inflation rate have seen the cost of living significantly increase for most residents of the borough. Coupled with high deprivation and low disposal incomes, this issue is expected to adversely impact Blackburn with Darwen residents, businesses and Council budgets and services over the medium term. There was particular concern regarding the overall health and wellbeing of residents and potential increase in safeguarding matters. Any increase in these areas would add increased pressure on Council services and potentially increase costs. It was also expected that the Council's income would also be impacted following the cost of living pressures on households and businesses.
- New risks have been added relating to the implications for the Council if

it fails to meet the statutory or regulatory requirements for Adult Social Care or Children’s Services and Education. Failure in this area by either of these Directorates could result in the Council’s statutory requirements not being fulfilled. There is a risk that the Council’s reputation could be affected and the Authority may be subject to special measures.

- A new risk was been added relating to the potential impact on the Council’s as a result of the Public Inquiry into the Covid-19 pandemic.
- A new risk has been added (Risk 28) relating to the impact that the ongoing on-going industrial unrest and strike action in the NHS and affecting other key partners and sectors may have on public services.
- A new risk has been added relating to the Council’s IT infrastructure. This area was previously included as part of the corporate business continuity risk elsewhere on the Strategic Risk Register. It has been identified as a standalone risk given the significance of this area to the effective delivery of Council services. This ensures that there is clarity regarding the risk owner and that the risks associated with this area are given appropriate recognition and evaluated and assessed separately.
- Risk 23 (Failure to have an inclusive public health Covid-19 recovery plan that focusses on those most impacted by the pandemic and plan effectively for COVID and influenza) has been closed. The inherent risk relating to this area has been reduced to an acceptable level and a business as usual response has been agreed.

4.3 The Corporate Risk Register contained 21 open risks as at 31 March 2023. 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:

- Risk Ref 1 - Failure to deliver a balance budget and Medium Term Financial Strategy, which may result in a Government Commission taking control of the Council’s finances;
- Risk Ref 14 - A high profile serious or critical safeguarding case that is known to the Council services, in light of Covid-19 working arrangements;
- Risk Ref 17 - Cyber security failures leading to financial, data loss or disruption to services from compromise of the IT network or systems;
- Risk Ref 18 - Insufficient budget for service delivery if MTFS income targets from the Growth Agenda are not met;
- Risk Ref 24 - Failure 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; and
- Risk Ref 28 – The risk to the delivery of public services as a result of on-going industrial unrest and strike action in the NHS and other key partners and sectors.

4.6 The following table shows the number of risks that are aligned to the Council’s core missions and outcomes:

<b>Core Missions and Outcomes</b>	<b>No of Risks</b>
A more prosperous borough where no one is left behind	5
Every child and young person to have opportunities to fulfil	8

their potential	
Deliver our climate emergency action plan	5
Build happier, healthier and safer communities	11
Fewer people living in deprivation	5
Increased life expectancy	7
Borough closer to carbon neutral	5
Higher educational attainment	3
More people who need help or support continuing to live in their own homes	6

## 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 Strategic Director, Finance & Resources, to support the achievement of the risk management objectives. Key activities undertaken/achievements during the period include the following:

### Corporate/Departmental

- 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:
  - Risk management training and awareness refresher sessions for elected members, Chief Officers and senior managers.
  - Institution of Occupational Safety and Health (IOSH) training for Directors.
  - Completion of a Cybersecurity Health Check, assessing the Council's cyber maturity and considering risks across three dimensions, exposure, hazards and controls, and grading the results across 23 risk factors.
  - A review of the Council's arrangements for the control of vibration at work and manual handling.
  - Seeking advice on the risk management and insurance implications of 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:

- On-going liaison with colleagues across the Council to identify areas to utilise the risk management support available from Zurich Municipal.
- Continuing the 'deep dive' review of corporate risks by the Audit and Governance Committee on a regular basis during the year.
- Development and implementation of a claims dashboard for Chief Officers and senior managers using PowerBI.
- Inclusion of risk management in the staff induction handbook.
- Continuing review of management information relating to the use of the Council motor fleet and insurance claims related data to identify themes and common issues, driver training needs to reduce 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 SERVICE (CCS) - Emergency Planning & Business Continuity**

### **8 Emergency Planning**

8.1 During the year to 31 March 2023, Blackburn with Darwen had several incidents affecting the community at large. These included:

- Death of a Significant National Figure – Her Majesty Queen Elizabeth II – Operation London Bridge, September 2022.
- Various Fires/Operation Merlins' – V10 Polymers, Highfield Road, Darwen Moor, Chadwick Street, St Michaels Court, Springvale Road, Landsdowne Street, all of which impacted on the local community.
- Loss of gas supply at Albion Mill.
- Various power outages: incident affected 80 CCTV cameras; St Pauls School closed due to safeguarding issues i.e. no fobs, loss of food and no heating; Riverside Heights 85 extra care housing affected.



- Various burst water pipes / water leak contaminations: Longshaw Nursery, Longshaw Junior School, Feniscowles Primary, Livesey Branch Road. Burst water mains in 2 locations. One had a significant impact on residents, water distribution locations were established and residents were temporarily moved to hotel whilst repair works were undertaken; a water leak which impacted Darwen residents on Stopes Brow and Blackamoor Road.
- Reported School closures due to snow - 3, burst water pipes – 2, loss of power – 1, excessive staff absences, bereavement – 2.
- Humanitarian Assistance – House in Multiple Occupancy (HMO) concerns - 2; fire response and vulnerable person identified.
- Strike Action – various agencies – awareness sharing of information and support as required.
- Ad hoc, Road Traffic Collision support, building inspector requests, lamppost removal, oil leak, fly tipping – pre bonfire night.
- Information sharing – with regards to Avian Flu (108 notifications), Monkey Pox (7 notifications).

8.2 Duty officer statistics for 2022/23 were as follows:

- Warnings received = 616;
- Information received total = 168;
- Activations total = 49 (Strategic Officer notified on 9 occasions);
- **Total activity = 784 (last year total 918).**

## 9 Key events and achievements during the year

### Corporate Exercise

9.1 In the year 2022/23 the Corporate Exercise focused on testing Business Continuity Plans and arrangements, it was attended by key Heads of Service and subject matter experts from across the council. The exercise was scenario based and focussed on a cyber-attack, something that the council have not tested in recent years. The session was delivered by industry experts and helped us understand, not only the response and recovery required if we were to be subject to a cyber-attack, but also what plans and preparedness we need to proactively update.

9.2 A full report is being drafted and will be shared once complete. Following the exercise, the team have met with Business Continuity Co-ordinators to audit their plans (which were all updated at the end of 2022/23) and have suggested any improvements, where required.

### Plan Reviews

9.3 Risk and some site specific emergency plans have been reviewed. Where there are Lancashire Resilience Forum (LRF) plans that are viable and can be used locally, we have either removed the local plan or reference to these will be made in the Generic Emergency Response Plan (GERP).

9.4 Departmental business continuity plans (BC) have all been reviewed and streamlined with single points of contacts being established. The BC audit process is nearly completed for 2022/23. The annual BC call cascade test was undertaken in January 2023, which tests the notification chain within departmental BC plans. This SMS exercise is run annually to test the speed and efficiency of how BC calls are cascaded, to test plans and monitor how fast the Council can activate agreed arrangements.

## **Schools - Emergency Planning**

- 9.5 The CCS continues to deliver annual training and awareness sessions to all schools within the borough, 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.
- 9.6 This is the first full year that we have supported schools who purchased the Schools SLA. To date we have 5 schools who have purchased this service again, some of which are on a 3 year deal. We have completed 4 bespoke training exercises over this period and 2 more are scheduled.

## **Standby arrangements review**

- 9.7 Following the review of the authority's standby arrangements back in 2019 CCS now receive rotas and activations from all departments concerned. We have had one addition this year which is the Drainage Team. We are in the process of creating a dashboard for monitoring / reporting purposes and statistics are expected from all service areas involved, which will be reviewed quarterly.
- 9.8 The Strategic Officer (SO's) and Duty Officers (DO's) rotas have been reviewed and streamlined. There are now 12 SO's on rota and 6 DO's, who now have more control over administration of the response processes / expenditure and only notifying the SO's for information and support as necessary.
- 9.9 To support the DO's during a response we have created WhatsApp groups for two key emergency plans. This provides the DO's with the reassurance that if they require urgent support someone from those plans will respond. The two areas are Human Aspects/Alternative Accommodation and Media Relations.

## **Risk Registers**

- 9.10 The Local Community Risks (Community Risk Register (CRR)) have been reviewed with the risk leads. 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. This process is very much driven from the National and Regional Risk Registers.
- 9.11 The CCS have regularly reviewed the corporate risks that are relevant throughout this period.

## **COVID-19 Public Inquiry**

- 9.12 The CCS continue to support Chief Executive Support with regards to the internal/regional and national debriefs in the retrieval of information / documentation for evidence for the inquiry. All lessons identified and recommendations of good practice, or areas for improvement will be addressed by organisations to embed in normal practices and plans as appropriate. The outcomes from debriefs will also help shape a final 2 year report covering all aspects of the pandemic.

## **Local Innovation Funding Bid**

- 9.13 The Team submitted a bid titled 'Preparing Lancashire – Building Resilient Communities' and although we were not successful this was not a wasted exercise as it was felt that the 5 elements were extremely valid and could be picked up within the LRF Working Groups business as usual. Further information is below as the work will be addressed over the next 12 months

and included within CCS Work Plan and the LRF Work Programme for 2023/24.

### **LRF Exercise Goshawk – October 2022**

- 9.14 Exercise Goshawk was a live play LRF exercise using a terrorist scenario to explore the multi-agency response to such an incident. This was hosted by Blackpool and took place over 36 hours. It saw the activation at all levels of response – operational, tactical and strategic. We supported the survivor reception centre, family and friends element. The debrief and findings are in draft report waiting for a formal sign off by the LRF Executive Group. Once this is done any necessary actions and learning will be addressed locally.

### **CCS Volunteer Workshop – March 2023**

- 9.15 The event was held at Bank Top Neighbourhood Learning Centre and the aim was to recruit volunteers to the volunteer roles the service coordinates. It provided the opportunity for current volunteers to network i.e. Community Emergency Response Volunteers (CERV); Emergency Response Group (ERG); Community Champions and Loggists. Guest were invited from the Environment Agency, British Red Cross and RayNet who all came information with stands.

### **National Emergency Planning Exercise – Mighty Oak – March 2023**

- 9.16 Exercise Mighty Oak was a Tier 1 National Power Outage (NPO) Exercise run by a cross-Government programme board and was a total shutdown and loss of electricity at national or multiple regional scales. This has never occurred in the UK but the impact would be severe with total power loss of power for 1-2 days before electricity supplies are slowly restored. The full recovery of the impacts would take weeks/months. CCS were active players for this exercise in testing our telecommunications via the ERAL network and partaking active roles at the Strategic Coordination Centre (SCC) based at Police HQ Hutton. Again any recommendations following the national and regional debrief with be adopted at a local level.

## **10 Key Additional Developments for the next 12 months**

### **Duty Officer Capability**

- 10.1 There have been several staff changes in o the Team during the year and it has been agreed that not only will new members undergo an intense 12 week training programme, to ensure that the Duty Officers are suitably equipped and able when responding to any emergencies, all DO's will attended training 1 hour per month. We also intend to carry out 3 tests of DO's activation. One of these will be to activate the newly established Emergency Control Centre (ECC) and set it up in readiness for a response.

### **Dashboard**

- 10.2 In order to capture corporate emergency response data we are in the process of developing a Dashboard for the service and should be fully functional by the end of June 2023.

### **Business Continuity (BC) and Business Continuity Promotion (BCP)**

- 10.3 The review of the BC plans and the BC audit is nearly been completed for 2022/23 and CCS will now support departments in writing their Standard Operation Procedure (SOPs). On the back of this the re-write of the Corporate BC Plan will be undertaken.

10.4 Promoting business continuity externally to businesses within the borough is undertaken at every opportunity and yearly via the business rates correspondence. Once the Team is back to a full complement we envisage to target business directly and offer support on developing plans with the intention to enhance their resilience.

#### Emergency Plans (EP)

10.5 Following the review of risk specific EP's last year it is intended to enhance the SOPs for these plans again simplifying and streamlining some of which are very lengthy documents. A number of these will become part of the Generic Emergency Response Plan (GERP). The GERP will undergo a full review and will become the Local Emergency Response Plan (LERP).

10.6 A full review of the BwD Recovery Plan is required to fit in line with the recent LRF review. Following the recent National Mighty Oak Exercise our local Fuel plan content will be undertaken in support of the regional planning arrangements. We will be supporting Adults with the development of Albion Mill EP and BC plans and will work with Leisure to review the King George's Hall EP.

10.7 The CCS is supporting the Elections team in reviewing their Emergency Plan to support the new way of voting procedures, planning and processes in case of a power outage, protests, loss of building or loss of staff.

10.8 Following recent events with regards to Houses of Multiple Occupancy (HMO's) CCS will be supporting Housing Needs in reviewing and updating their planning arrangements to incorporate their procedures when faced with this type of crisis again, which could be imminent given the current reviews that are taking place.

10.9 The national and regional 'Pipeline' plans are currently under review and updates locally will be incorporated into our site specific plans. Again following the activation of the 'Marking the Death of a Senior National Figure' and lessons learnt this plan will be reviewed regionally and locally to capture recommendations from the debriefs.

#### Building Resilient Communities

10.10 There has been substantial growth nationally on the importance of building resilient communities and we have taken part in numerous seminars, conferences and workshops especially around the National Consortium of Societal Resilience (NCSR). As mentioned above we submitted a bid for the Local Innovation Funding and although we were not successful in obtaining the direct funding the LRF have agreed to address these topics within the LRF Sub Groups. These are the topic areas that we will aim to enhance and deliver on over the next 12 months:

- Expansion of the BwD Schools Community Resilience Project (SCRIP – this is an accredited project, highlighted as a case study by DLUHC and is being accessed across the country. We want to further develop this innovative project and extend it into secondary schools.
- Community Emergency Response Volunteers (CERV) - re-launch and further develop the CERV and aim to maintain engagement with the community volunteers that came forward during Covid-19 to encourage home and community emergency plans and to share this good practice across Lancashire. One of our volunteers completed the 'National Volunteers Certificate' which we presented to him at the recent

#### Emergency Volunteers Workshop.

- Young People - The aim here is to increase the participation of youth organisations in community resilience awareness and training. These resources are for example uniform groups i.e. sea cadets, air cadets, police cadets, guides, scouts.
- Businesses - This will target small and medium sized commercial enterprises and service providers to raise awareness of the importance of having business resilience/continuity plans to prepare for disruptions and to put plans in place to respond, cope and recover in times of crisis.

- 10.11 Locally we will be recruiting internally for ERG and Loggists and will be developing a training programme for the next twelve months, which will include a rest centre exercise.

#### Training and Exercises

- 10.12 The Service will review and update the training strategy and the following training will be delivered:-

- Care Homes and Housing Providers.
- ERG/Loggists.
- SO / DO / Joint DO and EODT.
- Corporate Exercise March 2024.
- Education Leadership Tabletop Exercise.
- Ad hoc School training / exercise requests.
- National Risk Register (NRR).

- 10.13 The direction and work of the CCS 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 (NRR), understand what risks we face within Lancashire and what we have to do to mitigate these risks. The latest version of the NRR has been issued however, the review has been paused due to the guidance for the 2022 National Security Risk Assessment (NRSA) not having been published yet. Once this is underway we will undertake a full review of BwD's Community Risk Register and undertake a gap analysis plans, procedures, training etc. Any gaps for additional training or processes and plans will be managed as we progress.

#### BwD Corporate Risk Register

- 10.14 CCS has highlighted to the relevant departments a couple emerging risk affecting the borough. These are the pending closure of HMO's, the impacts of a blackout on care homes, supporting living, respite places – all care settings.

#### Review of the Civil Contingencies Act (CCA) 2004

- 10.15 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. 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, which was chaired by the Leisure Facilities Manager during the year, is well established and meets on a regular 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, Licencing, Insurance, and Emergency Resilience, as well as the three Emergency Services – Police, Fire and Ambulance. 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, to ensure that all quality standards are met and that safety of all events is paramount.
- 11.2 Registration of events is stringent, in particular for events held on council land. Organisers are 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 discuss details and safety arrangements of events with members. Once this is all complete, the Group signs the event off. 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 Pre-event day multi agency visits are continuing and have been helpful for members to check event sites to ensure events are as safe as possible and to deal with any last minute issues.
- 11.4 During 2022/23 the events program has continued to grow, following the pandemic, with over 130 events registered and submitted through the group. This includes a significant number of large scale events including Fairgrounds and Festivals, such as the Festival of Making, Darwen Live and Restricted Rocks.
- 11.5 Members and senior officers can be sure that all events that operate across the Borough are scrutinised and well managed to ensure that they are all well organised and as safe as they possibly can be. Partnership working both internally and externally with emergency services is key to this.
- 11.6 Following the retirement of the long standing chair of the group at the end of March 2023 a new chair has been appointed, the Service Lead in the Chief Executive's Department with responsibility for Health and Safety and Civil Contingencies. The new chair is currently reviewing the Terms of Reference of the group and event application process, and ensuring that advice and guidance is readily available for event organisers to support them in holding safe and successful events.

## **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 2022/23 and comparison against 2021/22**

		<b>2021/22</b>	<b>2022/23</b>
<b>FOI</b>	Number received	1123	1054
	Number due	1103	1053
	Number on time	1048	1008
	<b>% on time</b>	<b>95.01%</b>	<b>95.73%</b>
<b>EIR</b>	Number received	1706	1418
	Number due	1730	1439
	Number on time	1695	1413
	<b>% on time</b>	<b>97.98%</b>	<b>98.19%</b>
<b>Combined FOI/EIR</b>	Number received	2829	2472
	Number due	2833	2492
	Number on time	2743	2421
	<b>% on time</b>	<b>96.82%</b>	<b>97.15%</b>
<b>DPA</b>	Number received	275	447
	Number due	273	421
	Number on time	254	393
	<b>% on time</b>	<b>93.04%</b>	<b>93.35%</b>

13.1 The number of FOI/EIR requests received in 2022/23 has decreased by 12.6% compared to 2021/22. FOI compliance rates were above the mandatory compliance rate of 90%, with 95.73% of requests responded to on time. EIR compliance rates have again improved from last year with a compliance rate of 98.19%

13.2 The number of DP SARs received in 2022/23 has increased significantly by 62.2% compared to 2021/22. The compliance rate over this period has improved to 93.35%. During this period 1FTE was added to the SARs service and resource support was delivered by the existing Corporate Information Governance Team, who continue to assist with SAR responses. Whilst the SARs team have managed to clear the backlog of historical Children’s SARs, there has been a large increase in the number of requests submitted that the team have struggled to manage. This is in part due to the introduction of a new Care Leavers Process. The Corporate IG SARs team have now introduced a prioritisation system to ensure that the professional SARs (LA Safeguarding Requests/ DBS/Adoption/Foster Carer Stat Checks/Police Requests/ Legal Requests) are carried out as a priority.

## **14 Information Assurance Incidents Recorded During 2022/23**

- 14.1 There were 81 recorded information assurance incidents in 2022/23. This is a 1.25% percent increase against 2021/22 (80).
- 14.2 There were 2 complaints made to the ICO during 2022/23. This is a 33% percent decrease against 2021/22 (3). Both complaints were resolved with no further action.
- 14.3 There were no recorded data incidents in 2022/23 that required the Council to self-report to the Information Commissioner (0 in 2021/22).

## **15 Key events and achievements during the year**

- 15.1 **Schools Update.** As at 4 April 2023 49 of the 58 schools who bought in Information Governance support last year have signed up again for the service level agreement (SLA). At present the income received is £44,732 with another £9,483 due if the remaining primary schools and Trust complete their SLA renewal.
- 15.2 The 2023/24 audit cycle will touch on aspects of previous versions such as training and breaches but will focus on reviewing, and where necessary, updating the Record of Processing Activity (ROPA) for each school. Audit plans are being developed and appointments will be scheduled after Easter.
- 15.3 **The NHS Data Security and Protection Toolkit (DSPT)** The DSPT compliance audit was submitted on Friday 24<sup>th</sup> February. The audit tool has accepted our submission as 'standards met' and awarded our certification. There still remains the potential for further evidence inspections once the NHS auditors have reviewed our submission.
- 15.4 **Members IG face to face training** was conducted in February 2023 and all Members were invited to attend. There were 10 members in total that either did not complete the Members IG training online or attend the face to face training. Details were disclosed in Q4 2022/23 SIRO Report
- 15.5 **IG and Cyber Security training.** Compliance with the Council's mandatory IG training was published in the Q4 SIRO report. 96.44% compliance was recorded against the IG training Course and 94.68% compliance was recorded against the DOJO Cyber Security training course. Mandatory IG training roll out for 2023/24 is currently being progressed by the E-Learning team. This will be promoted during April 2023 to encourage early completion.
- 15.6 The Council successfully defended a compensation claim following an allegation of a breach of current UK Data Protection legislation. The Data Protection Officer gave evidence in court defending the Council's position to apply vexatious status to a request from a data subject. The court found in the Council's favour and the claim was dismissed
- 15.7 **The Transparency DataShare** is due to be updated to populate the required datasets required for 2022/23. 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 2022/23 publication will be due by the end of June 2023.



## **INSURANCE**

### **16 Insurance Policies**

- 16.1 Following the completion of a tender exercise for the Council's insurance cover, Executive Board approved the award of new contracts with effect from 1 April 2023 at its March meeting. The Council's main policies are being provided under a long term agreement for an initial period of three years with an option to extend for a further two. Separate policies are in place for specialist covers which include terrorism, fine arts, marine and hired in plant.
- 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 is planned during 2023/24 to develop a claims dashboard to provide up to date claims data to Chief Officers and senior managers.
- 17.2 During 2022/23 the Insurance Team were notified of 222 non-injury claims and incidents that were managed in-house (49 claims and 173 incidents). This compares to 216 managed in-house in 2021/22. The figure includes 85 for adopted highway and other highways related matters and 67 relating to motor vehicles. These included cases where claims were refuted, as the Council had an appropriate defence. Following a review of the evidence provided by departments nine were settled during the year, totalling £14,217, compared to eight in 2021/22, totalling £5,603. 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 £30,842 on costs initially claimed by third party solicitors. 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 £674,996, a saving of 64%. 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		
	20/21	21/22	22/23	20/21	21/22	22/23	20/21	21/22	22/23
Employers Liability	5	0	7	6	5	4	11	5	11
Motor	24	32	29	28	45	52	52	77	81
Other	0	0	6	1	2	5	1	2	11
Property	11	15	9	27	16	12	38	31	21
Public Liability	74	92	99	103	91	82	177	183	181
<b>Total</b>	<b>114</b>	<b>139</b>	<b>150</b>	<b>165</b>	<b>159</b>	<b>155</b>	<b>279</b>	<b>298</b>	<b>305</b>

Class of business	Total Potential Value of Claims		
	20/21	21/22	22/23
Employers Liability	129,439	55,130	22,762
Motor	128,446	62,387	123,070
Other	0	1,208	52,813
Property	137,131	465,782	146,368
Public Liability	1,235,318	1,080,600	529,993
<b>Total</b>	<b>1,630,334</b>	<b>1,665,107</b>	<b>875,006</b>

- 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 18<sup>th</sup> 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 £319,000 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 2023.

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: 11 July 2023.

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