



**TO:** Audit & Governance Committee  
**FROM:** Strategic Director, Finance & Resources  
**DATE:** 25 June 2024

**PORTFOLIOS AFFECTED: All**

**WARDS AFFECTED: All**

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**TITLE OF BRIEFING PAPER    Risk Management Report Annual 2023/24**

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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 2023/24. 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 2023/24.

**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 2024. 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 2024/25.
- 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 to the Committee that the Council has adequate risk management arrangements in place during the year ended 31 March 2024 and these operated effectively. Areas for action or development during 2024/25 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. strategic risks).
- 3.2 Strategic risks are those significant risks that could affect the overall success of the Council's agreed objectives and priorities and the Corporate Plan 2023 to 2027, other key strategies and plans or the vitality and viability of the Council as a whole. 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. Designated Directors are also risk owners for specific strategic risks. 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 strategic risk register. These are escalated to the Corporate Assurance Board for consideration and agreement to include on the Strategic Risk Register where applicable.

3.4 The Risk Management Strategy & Framework was updated in 2022. It includes five objectives that 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 were delivered to Chief Officers, the Extended Leadership Team and elected members during 2022/23 and for individual departments during 2023/24.
- 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 Assurance Board and key contacts carry out quarterly reviews of the strategic risks, including consideration of new and emerging risks. Directors are responsible for reviewing departmental risks registers on a quarterly basis.
- Progress on the management of risk, particularly strategic risks, is reported quarterly to the Audit & Governance Committee.
- The arrangements in place to manage individual strategic risks are regularly reviewed and challenged by the Audit & Governance

Committee.

- The Strategic Risk Register is discussed with the Executive Member, for Finance & Governance on a quarterly basis.
- Support is available from the Council's insurance provider to provide advice and guidance 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 2021-26.
- 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 specific strategic risks and are responsible for maintaining risk registers affecting their operational responsibilities, including key projects/partnerships.
- Risk owners and 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 from 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 for their areas of responsibility.
- Audit & Assurance delivers a risk based internal audit programme.
- Audit & Assurance provides 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 were delivered to elected Members, Chief Officers and the Extended Leadership Team during 2022/23 by colleagues from Zurich Municipal. Refresher sessions were also provided to department senior managers during 2023/24.

- The Risk Management Toolkit was reviewed and updated during the 2022/23. 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. Strategic Risk Register

4.1 Strategic risks are those that may impact on the overall achievement of Council corporate objectives and priorities. The Corporate Assurance Board continues to review the Strategic 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 strategic 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 scores to be readily identified.

4.2 The Corporate Risk Register contained 24 open risks as at 31 March 2024. A summary of the open risks is attached at Appendix 1. The Council's top corporate risks at that date were as follows:

- 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;
- 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 Programme 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 29 – The Council is unable to deliver its services adequately and effectively due to a failure in its IT infrastructure.

4.3 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	14
Every child and young person to have opportunities to fulfil their potential	6
Deliver our climate emergency action plan	3
Build happier, healthier and safer communities	16
Being an innovative and forward thinking Council	7
Tackling the budget challenge	11

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

4.4 A number of changes have been made to the Strategic Risk Register during the year. The details have been provided to the Audit & Governance Committee during the year. The changes are as follows:

- The residual score for Risk 11 (Failure to improve the education and skills for our young people) was reduced from medium to low as progress had been made during the year to improve the controls and management of this area.
- The residual score for Risk 22 (Failure to recruit, adequately develop and retain an adequately experienced and appropriately qualified workforce ...) was reduced during the year as the continued activity in this area has reduced the risk.
- 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 (Risk Ref 28) was closed. Directors agreed that this area was no longer a strategic risk, as the nature of the risk had changed. It would be a business as usual activity for relevant departments to manage as applicable going forward. However, this area will be kept under review.

4.5 The following risks were added to the strategic risk register during the year:

- Risk 30 – The risk associated with failing to set up and recruit to an in-house Paediatric Occupational Social Care and Education Service in Children's Services;
- Risk 31 - Failing to adequately and effectively plan for and be adequately prepared to respond to the consequences of a future pandemic.; and
- The opportunity associated with the creation of a Combined Authority for Lancashire (Risk 32).

4.6. In addition, the risks associated with the Highways infrastructure assets (Risk 2a) has been separated from the property asset risk (Risk 2). This will enable the risks and controls associated with the different asset groups to be more easily identified, assessed and monitored.

## 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

- 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 Assurance Board (CAB) and Audit & Governance Committee.

- Regular discussion of new and emerging risks by CAB to consider their implications for the Council and addition to the Strategic Risk Register.
- 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.
- The merging of the Davyfield Depot Health and Safety Action Group and Road Risk Management Group to improve the effectiveness senior managers overview and monitoring of risks related to activities involving staff based at the depot.
- Seeking advice on the risk management and insurance implications of significant changes Council to activities, services and staff roles and responsibilities to ensure that appropriate insurance cover is in place;
- 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 2024, Blackburn with Darwen had several incidents affecting the community at large. These included:

- Various fires at B&M Bargains, Pleasington Crematorium, car business at Whitebirk, V10 Polymers and Vape Factory.
- Operation Merlin - major gas leaks at Birches Farm, Chadwick Street and Luddington Hall Farm and of course the London Road gas explosion.
- Various burst water pipes and water leaks at locations including Meins Road, Ainsworth Street, Blackburn Library, Roman Road and Albion Mill.
- Various flooding and severe weather responses, including at Darwen Market and Longshaw Primary School. Support during Storms Noa, Antoni, Betty, Agnes, Babet, Ciaran, Debi, Elgin, Fergus, Gerrit, Henk, Isha and Jocelyn.
- Numerous protests/demonstrations and vigil's reviewed, monitored and supported.
- And finally Ad hoc response, such as road traffic collision support, building inspector requests, IT outages, Police cordon support and community tension monitoring and review.

8.2 Duty officer statistics for 2023/24 were as follows:

- 649 Warnings received.
- 210 Information received.
- 62 Duty Officer activations (Strategic Officer notified on 12 occasions)

**Total activity = 859 (last year's total was 784).**

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

#### **Corporate Exercise**

9.1 The 2024/25 Corporate Exercise, held in April, focused on testing the Corporate Emergency Response Plan (CERP), Public Accessible Locations Plan (PAL) and response arrangements. It was attended by key Heads of Service and subject matter experts from across the council along with Strategic Officers, Duty Officers, external partners and key speakers. The Service was successful in securing Home Office funding to cover the hosting of the Exercise. The Exercise was scenario based and focussed on a Counter Terrorism incident involving a suspect vehicle and two suspect individuals in the Town Centre.

9.2 The terrorist emergency response and town centre evacuation is something that the Council has not tested in recent years. The session was delivered by



CCS staff, with speakers from the North West Counter Terrorism Unit and victims from both the Manchester Arena attack and the Westminster Bridge attack. The Exercise was well supported by local emergency responders and Blackburn Mall staff and helped raise the profile to all participants, of what would be required to respond to and recover from an incident of this nature, test the recently reviewed CERP and PAL plan, and confirmed the importance of collaborating with key stakeholders' during preparedness in order to deliver best efforts if we are ever faced with a terrorist attack.

- 9.3 There is already work underway with regards to enhancing the town centre security which CCS is coordinating. Following the Exercise two debriefs are scheduled. A full report will be presented to Corporate Leadership Team and any actions or recommendations will be addressed by the service and implemented over the coming months.

### **Plan Reviews**

- 9.4 Several risk and some site specific Emergency Plans have been reviewed this year, along with the CERP and PAL plan, as mentioned above.
- 9.5 The Corporate Business Continuity Plan (BC) and departmental business continuity plans have all been reviewed and streamlined with single points of contacts being established. The BC audit process was completed at the end of 2023 and actions addressed. The annual BC call cascade test was undertaken in February 2024. This tests the notification chain within departmental BC plans. This SMS exercise is run annually and this year we used Gov.Uk Notify 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.
- 9.6 CCS have been instrumental in the coordination of the development of a Wildfire response procedure, working with internal teams, emergency services and local landowners.
- 9.7 Waste site fires have increased, which has prompted us to work with the Lancashire Resilience Forum (LRF) to address response concern. This led to the V10 Polymers site specific plan being developed, updated and shared with partners.

### **Schools - Emergency Planning**

- 9.8 The service 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.
- 9.9 This is the second year we have supported schools who purchased the Schools SLA. To date we have 5 schools who have purchased this service. We have completed 4 bespoke training exercises over this period and 2 more are scheduled for the coming year.

### **Standby arrangements review**

- 9.10 The Standby Policy has been reviewed and an audit is underway to look at the current data to ensure that the appropriate teams are undertaking standby arrangements.
- 9.11 Following the review of the Strategic Officer (SO's) and Duty Officer (DO's) rotas in 2023, responses are being dealt with efficiently by the 12 SO's and 6 DO's. The new response process has been a success and minimises SO's

input. However, they are still notified for information only and support depending on the type of incident or response.

- 9.12 To support the DO's during a response, several WhatsApp groups for the Chief Officers, Duty Officers, Communications and Human Aspects have been established. These provide the DO's with the reassurance that if they require urgent support they have another means of contact. This has proved really successful this year.

### **Risk Registers**

- 9.13 The Local Community Risks were reviewed in 2022/23. Following the recent release of the National Risk Register and the review of the Regional Risk Register 2023/24, a full review of the BwD Community Risk Register (CRR) will be undertaken with the risk leads. The work of the service is risk driven. Therefore there has to be a medium / high / very high level of risk, in order for there to be a plan to mitigate or reduce the risk.
- 9.14 The CCS have regularly reviewed the relevant corporate risks throughout this period.

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

### **Duty Officer Capability**

There have been several staff changes in the service during the year and it has been agreed that new members will undergo an intense 12 week training programme, to ensure that they are suitably equipped and able to effectively respond to emergencies. In addition, all DO's will attend mandatory training every month.

### **Emergency Plans (EP)**

- 10.1 Following the review of risk specific Emergency Plans last year it is intended to enhance the Standard Operating Procedures for these plans simplifying and streamlining some of which, are very lengthy documents. A number of these will become part of the recently re-written CERP.
- 10.2 A full review of the BwD Recovery Plan is required to fit in line with the recent LRF review. Following the National Mighty Oak Exercise, a review of our local Fuel Plan content will be undertaken in support of the regional planning arrangements.
- 10.3 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.

### **Building Resilient Communities**

- 10.4 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). Although we were not successful with our bid for the Local Innovation Funding, we intend to address some of the topic areas in-house. This includes the following:
- 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 who came forward during Covid-19 to encourage home and community emergency plans and to share this good practice across Lancashire.

- Young People - 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 - 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.

10.5 There is currently a review by the LRF of their Human Aspects Plan and whilst it is unlikely to produce significant change, there will be a fresh approach to establishing emergency centres. Within the next month, a full review of the current local rest centres and procedures will be undertaken. Alongside this, recent events within BwD have demonstrated that our volunteer response might not be as robust as it could be. We will therefore take the opportunity this summer to completely look refreshing at our volunteers, both in-house and external).

### **Training and Exercises**

10.6 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).
- Local Rest Centre exercise will take place towards the end of the year as one of 5 LRF area pilots.
- BwD are coordinating the delivery of the LRF Flood Training for Partners training in October 2024

## **EVENTS**

### **11 Events Safety Advisory Group (ESAG)**

11.1 This multi-agency group, which is chaired by the Head of Safety, Planning & Resilience 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, Highways and Civil Contingencies, 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 an Event Management plan, risk assessment, security and medical plans (where appropriate) and proof of 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 their event with Group members. If the event is being held on council land, a 'managed space licence' will be issued. The scrutiny and oversight above are 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 sites to ensure events are as safe as possible and to deal with any last minute issues. These usually take place a few days before any larger scale or higher risk events.
- 11.4 During 2023/24 the events program has continued to grow, with over 120 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 need to be sure that all events that operate across the Borough are looked at and well managed to ensure that they are as safe as they possibly can be. Partnership working both internally and externally with emergency services is key to this.
- 11.6 Following the appointment of a new chair for the group in April 2023, the following has been undertaken to further support the ESAG and its function:
- Reviewed the Group's Terms of Reference;
  - Updated the advice and guidance available for event organisers on the Council's website;
  - Reviewed membership of the Group, to ensure better attendance, and nominated a vice chair;
  - Dedicated administration support for consistency and knowledge building
  - Redeveloped the Digital Customer Platform for a better application and approval process;
  - Written an Events Policy, which now in a position to go through the formal sign off procedure to ensure consistent application and approval for events held on Council land;
  - Liaised with Insurance investigate sourcing ESAG training for all members, which will be picked up later this year.

## **INFORMATION GOVERNANCE (IG)**

### **12 Introduction**

- 12.1 The Information Governance and IT Compliance team 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).

**Annual requests and clearance statistics for 2023/24 and comparison against 2022/23**

		<b>2022/23</b>	<b>2023/24</b>
<b>FOI</b>	Number received	1054	1251
	Number due	1053	1230
	Number on time	1008	1144
	<b>% on time</b>	<b>95.73%</b>	<b>93.01%</b>
<b>EIR</b>	Number received	1418	1546
	Number due	1439	1517
	Number on time	1413	1479
	<b>% on time</b>	<b>98.19%</b>	<b>97.50%</b>
<b>Combined FOI/EIR</b>	Number received	2472	2797
	Number due	2492	2747
	Number on time	2421	2623
	<b>% on time</b>	<b>97.15%</b>	<b>95.49%</b>
<b>DPA</b>	Number received	447	462
	Number due	421	483
	Number on time	393	460
	<b>% on time</b>	<b>93.35%</b>	<b>95.24%</b>

12.3 The number of FOI/EIR requests received in 2023/24 has increased by 13.14% compared to 2022/23. FOI compliance rates were above the mandatory compliance rate of 90%, with 93.01% of requests responded to on time. EIR compliance rates were above the mandatory compliance rate of 90% with 97.50% responded to on time.

12.4 The number of DP SARs received in 2023/24 has increased by 3.4% compared to 2022/23. The compliance rate over this period has improved to 95.24%.

**13 Information Assurance Incidents Recorded During 2023/24**

13.1 There were 84 recorded information assurance incidents in 2023/24. This is a 3.7% increase against 2022/23 (81).

13.2 There were 4 complaints made to the ICO during 2023/24. This is a 100% percent increase against 2022/23(2). All complaints were resolved with no further action. Complaints to the ICO were recorded in the following areas:

<b>Resource Area</b>	<b>Number</b>
<b>Environment and Operations</b>	<b>2</b>
<b>Childrens Services</b>	<b>1</b>
<b>Resources</b>	<b>1</b>

13.3 There were no recorded data incidents in 2023/24 that required the Council to self-report to the Information Commissioner (0 in 2022/23).

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

- 14.1 **Schools Update.** As of 31/03/24 49 of 57 Schools/Trusts that had an SLA with us in 2023/24 have bought back into the service. One Catholic Primary School has confirmed that the service is no longer needed as it is joining the new Catholic Multi Academy Trust (MAT), and IG services will be provided by the Trust. We have been advised that one High School is also likely to have their IG Service delivered by the MAT. Of the remaining 6 schools that have not yet renewed their SLA, one Junior school has confirmed renewal will be processed once their budget has been finalised and 5 primary schools are yet to confirm whether they are renewing their SLA for 2024/25. As of 31/03/2024 current income for the 2024/25 SLA is confirmed at £48,364. Assuming the outstanding schools renew their SLA for 2024/25, expected income is £52,154.
- 14.2 **The NHS Data Security and Protection Toolkit (DSPT)** The DSPT compliance audit was submitted on 23/02/2024. 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.
- 14.3 **Members IG training** was issued via face-to-face training and online certification. As of 31/03/2024 18 (35%) Members had not completed any form of Data Protection or Cyber Security Training. Details of this were disclosed in Q4 2023/24 SIRO Report and, in view of the continuing threat of cyber-attack, it was agreed that this matter be raised with Group Leaders.
- 14.4 **IG and Cyber Security training.** Compliance with BWDBC mandatory IG training was published in the Q4 SIRO report. 97.04% compliance was recorded against the IG training Course and 96.55% compliance was recorded against the DOJO Cyber Security training course. Mandatory IG training roll out for 2024/25 is currently being progressed by BWD E-Learning team. Comms will be drafted during April 2024 to encourage early completion.
- 14.5 **The Transparency DataShare** is due to be updated to populate the required datasets required for 2023/24. 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 2023/24 publication will be due by the end of June 2024.

## **INSURANCE**

### **15 Insurance Policies**

- 15.1 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.
- 15.2 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 where possible.

## **16 Claims Management**

- 16.1 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 2024/25 to develop a claims dashboard to provide up to date claims data to Chief Officers and senior managers.
- 16.2 During 2023/24 the Insurance Team were notified of 302 non-injury claims and incidents that were managed in-house (66 claims and 236 incidents). This compares to 222 managed in-house in 2022/23. The figure includes 134 for adopted highway and other highways related matters and 74 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 13 were settled during the year, totalling £8,663, compared to eight in 2023/24, totalling £14,217. 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.
- 16.3 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.
- 16.4 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.
- 16.5 In the last year this has saved £28,137 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 £1,078,022, a saving of 52%. The outcomes of billed claims are illustrated in the final chart at Appendix 2.

## **17 Insurance Claims Experience**

- 17.1 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 Claims & Incidents		
	21/22	22/23	23/24	21/22	22/23	23/24	21/22	22/23	23/24
Employers Liability	0	6	9	5	5	6	5	11	15
Motor	44	50	66	33	31	34	77	81	100
Other	0	5	3	2	6	4	2	11	7
Property	13	9	8	18	12	18	31	21	26
Public Liability	92	96	150	91	85	111	183	181	261
<b>Total</b>	<b>149</b>	<b>166</b>	<b>236</b>	<b>149</b>	<b>139</b>	<b>173</b>	<b>298</b>	<b>305</b>	<b>409</b>

Class of business	Total Potential Value of Claims		
	2021/22	2022/23	2023/24
Employers Liability	52,600	43,104	21,838
Motor	60,581	115,850	166,930
Other	4,737	41,632	19,613
Property	449,075	50,496	576,583
Public Liability	902,776	176,502	392,308
<b>Total</b>	<b>1,469,769</b>	<b>427,584</b>	<b>1,177,272</b>

- 17.2 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.
- 17.3 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 employer's 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.
- 17.4 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.
- 17.5 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.
- 18 Municipal Mutual Insurance (MMI)**
- 18.1 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.

- 18.2 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.
- 18.3 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.
- 18.4 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.
- 18.5 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.
- 18.6 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.
- 18.7 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.
- 18.8 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.
- 18.9 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 2024.

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 June 2024.

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