TO:	Audit & Governance Committee
FROM:	Director of Finance & Customer Services
DATE:	25 June 2019

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF BRIEFING PAPER   Risk Management Report Annual 2018/19

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1.   PURPOSE

To inform the members of the Audit & Governance Committee of the risk and related activity which has taken place or been delivered during 2018/19 and provide an overall conclusion of the effectiveness management arrangements which are in place within the Council.

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 2018/19.

3.   BACKGROUND

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

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 2019. 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;
* Insurance;

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

1.3   This report covers the activities relating to the corporate and departmental risk management arrangements, emergency and business continuity 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 2018/19.

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

2.   Background and Overall Assessment

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

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

2.2   The Council recognises that risk management is not simply a compliance issue, but rather it is a way of viewing and managing its operations with a significant impact on long-term viability. It understands that effective risk management helps to demonstrate openness, integrity and accountability in all of the Council's activities. It also benefits how we operate, to ensure that key risks are identified, assessed and mitigated appropriately and effectively.

2.3   The details provided in this report provide evidence that, overall, the Council has adequate risk management arrangements in place and these have operated effectively during the year ended 31 March 2019. Areas for action or development during 2019/20 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 which could impact on the delivery of the Council's objectives (i.e. corporate risks).

3.2   Corporate risks are those significant risks which could impact on the overall success of Council objectives and priorities, or the vitality and viability of the organisation.   Should these risks materialise Members and other stakeholders/partners, including the public, will be aware of them and they may affect the reputation of the Council, amongst other significant consequences.

3.3   The Chief Executive and Management Board are responsible for leading and ensuring effective risk management operates consistently across the Council. Each Director is the risk owner of all risks within their Department. Risk Champions provide support to Directors and managers to maintain their departmental risk registers. Advice and support regarding risk management

issues is also available from the Audit & Assurance team. The Champions provide advice on risk management matters to Executive Members, Directors, Heads of Service and other managers within each department or service area. These officers also highlight relevant significant risks included on departmental risk registers for consideration for inclusion in the corporate risk register. These are escalated to Management Board for consideration and agreement.

4.   Corporate Risk Register

4.1   Corporate risks are those which may impact on the overall achievement of Council objectives and priorities. Management Board reviews the corporate risk register on a six monthly basis to ensure that appropriate corporate risks are identified, assessed and aligned to the corporate priorities and objectives on an ongoing basis. A revised risk register format has been used since 2016/17, as part of the revised Corporate Risk Management Strategy and Framework 2015/20.   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 movements to be easily tracked.

4.2   The residual risk scores for the following corporate risks have increased during the year:

- Corporate risk 11 – Failure to improve the education and skills for our young people;

- Corporate risk 13 - Failure to prevent data loss and privacy incidents (Information Governance) leading to financial/Data loss, disruption or damage to the reputation of the Council; and

- Corporate risk 15 - Failure, at a corporate level, to comply with Health & Safety legislation and provide both a safe working environment for employees and the provision of a safe environment for service users.

4.3.   The residual risk score for Corporate risk 3 has increased as there have been changes to the senior managers responsible for this area during the year. The Interim Head of Service left the Council during March and the Service Lead post had previously been deleted.   This leaves a significant gap and associated risks, which will need to be considered as part of the review of senior management arrangements within the Children's Services & Education Department.

4.4   The increase in residual score for corporate risk 13 relates to the increased risk of failing to comply with the Subject Access Provisions in the General Data Protection Regulations 2016. The Council has a number of outstanding subject access requests that carry risk of noncompliance with legislation as they are significantly overdue. The consequences of this risk include enforcement action and potential civil monetary penalties issued to the Council by the Information Commissioner.

4.5   The increase in the residual risk score for Risk 15 is as a result of the reassessment of the likelihood of this risk occurring following an increase in the number of health and safety accidents and related matters reported during the year. This has highlighted a lack of staff awareness regarding this area. Steps are being taken to address this through training and awareness raising.

4.6   In addition to the changes noted above the risk relating to Britain exiting the European Union was added to the register during quarter 4 and subsequently closed as a result of the extension of the exit date to 31 October. Corporate risk 5, relating to Council governance and decision making arrangements failing, was also reviewed and re-assessed. The controls relating to this area have been assessed as good and the risk has been accepted and closed. This risk will continue to be managed as part of business as usual activity.

4.7   The Corporate Risk Register contained 14 open risks as at 31 March 2019. A summary of all the corporate risks is attached at Appendix 1. The following list shows the number of risks that are aligned to each of the corporate priorities:

Corporate Priority	No of Risks
Jobs	6
Housing	5
Health & Wellbeing	5
Outcomes for Young People	4
Safeguarding Vulnerable People	7
Making Your Money Go Further	8

4.8   As at 31 March 2019 the Council's top corporate risks were those relating to the risk of a high profile serious or critical safeguarding case and data loss or privacy incidents.

5.   Key events and achievements during the year

5.1   During the year corporate risk management support has been delivered by the Audit & Assurance team, under the Director of Finance & Customer Services, 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.

•   On-going monitoring and reporting of risk assessments via the implementation of the updated Summary Risk Register template including the tracking of changes in residual risk scores.

•   The ongoing implementation of the Counter Fraud Risk Register.

•   Monitoring and review of the completion of corporate and departmental risk registers, with associated reporting to Management Board and Audit & Governance Committee.

•   Implementation of streamlined Management Accountabilities Framework Dashboard reporting arrangements.

•   Audit & Assurance continuing 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 carry out reviews of risk management arrangements and support training and awareness raising. This included a training session

for members of the Council's Events Safety Advisory Group. This covered the scope of this Group, events safety management and reviewing events safety plans.

- The Road Risk Management Group Review continues to meet regularly to consider fleet and driving risks. This includes monitoring of insurance claims and vehicle tracker reports relating to Council fleet vehicles and drivers by to identify any themes or training needs.

- The circulation of winter safety advice to managers and staff including a reminder to ensure that risk assessments are up to date and shared with staff and that effective lone working arrangements are in place.

5.2   Colleagues from Zurich Municipal completed a Municipal review of the Council's arrangements for managing Subject Access Requests (SAR) made by individuals under the previous Data Protection legislation. The review assessed the Council's readiness to respond to the changed requirements of the General Data Protection Regulations (GDPR) that came into force on 25 May 2018. The report concluded that without intervention it is evident that the Council will be unable to fulfil its legislative duties under Data Protection Regulations.

5.3   The key risk identified in the report was the inadequate resourcing in place to manage this area. It noted the issue in the Children and Adults area where SARs are typically complex. At the time of the review there were 55 outstanding cases equating to a workload of approximately 400 days with only 1 fulltime equivalent to support the process. Trends show an increase frequency in SARs generally and with increased awareness of individual's rights brought about by the GDPR that trend is unlikely to change in the short to medium term. This issue is linked to the increase in the residual risk score for Corporate Risk 13 noted at paragraph 4.4 above. Additional resources have since been identified to address this issue.

6.   Developments for next 12 months

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

- Continuing the 'deep dive' assessment of corporate risks by the Audit and Governance Committee at each meeting;

- A review of the asset and risk management arrangements in place in respect of the Council responsibilities as a highways authority. This will provide a comparison to the Zurich Highways Review Standard, based on the new Code of Practice issued by the Department of Transport together with an assessment of our arrangements for preventing and defending claims.

- On-going identification of areas to utilise the risk management support available from Zurich Municipal, including health and safety training and awareness and property management areas.

- Continuing review of management information relating to the use of the Council motor fleet and related insurance to identify themes, driver training needs and minimise the incidence and impact of motor vehicle claims and incidents.

- On-going support for appropriate corporate and departmental risk initiatives via the internal risk management fund;

- Continuing the cycle of Departmental risk register reviews and challenges as part of the risk management work carried out by Audit & Assurance staff.

- 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. This conclusion has been supported by the results of the benchmarking which was carried out in 2016/17 using the CIFPA Risk Management Benchmarking tool, which was noted in the previous Annual Risk Management Report.

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

CIVIL CONTINGENCIES - Emergency Planning & Business Continuity

8 Emergency Planning

8.1 During the year to 31 March 2019, Blackburn with Darwen had several emergency events affecting the community at large. These were:

- Increased security considerations for Council staff and the community as a result of international terrorism events impacting upon UK Nationals;

- Fire at Larkhill Flats resulting in a fatality;

- Operation Merlin – Chlorine Gas release at Queen Elizabeth Grammar School;

- Burst water mains impacting a school ;

- Fire at Blackburn Central High School;

- Moorland fires;

- Operation Merlin fire at First Choice Skip Hire; and

- Power outage to 300 homes.

8.2 Duty officer statistics for 2018/19 were as follows:

- Warnings received = 350;

- Information received total = 208;

- Activations total = 38 (Strategic Officer notified on 1 occasion); and

- Total activity = 558.

9 Key events and achievements during the year

Corporate Exercise

9.1 This year the annual corporate exercise focussed on Business Continuity (BC), using a national and regional risk, "loss of power". This is one of the highest impact risks the UK faces, albeit a low risk. This risk relates to the loss of power from 24 hours to 7 days. This tested all of the Council's

departmental business continuity plans and the corporate plan. Presentations and support from United Utilities, Electricity North West Limited and Telefonica/O2 and other external partners provided technical detail for the services to work with. A report, with recommendations, is being progressed.

Schools Community Resilience Project (SCRP)

9.2   The Civil Contingencies Service (CCS) has created and developed a multi-agency programme to promote community resilience by engagement through schools. This is a concept of enhancing community resilience (and therefore reducing reliance upon the local authority in times of emergency) by using "pester power" i.e. engaging with children to target parents.

9.3   Community resilience is fundamental to empowering communities in helping prepare themselves against emergencies and disruptive events and become less reliant upon the Council for support. When the community is better prepared to respond to and recover from an emergency, they are better able to cope in the immediate aftermath and also through the recovery phase of an emergency (prolonged period following an emergency). When an emergency happens the first people to respond are those in the immediate vicinity, followed by the "blue light" services, then the Local Authority as necessary. Therefore, it makes sense for a community to be resilient and self-reliant in times of emergency.

9.4   Twenty-five schools have been provided with the information. Twenty-two of these have undertaken the scheme or have shown an interest in it.

9.5   The SCRP has now been accredited by Wolverhampton University and is now ready to be shared nationally. Permission has been received from Essex County Council (for the original basic concept) and the scheme will be shared via the Ministry of Housing Communities & Local Government (MHCLG) and Department for Education in Spring/Summer 2019.

Plan reviews

9.6   All of the Departmental BC plans were reviewed as part of the Quality Assurance (QA) Audit process undertaken over the last two years.   The plans were split into 15 areas as the services were re-aligned as structures changed over the year. All of the departmental plans are now up to date ready for the Corporate BC Plan to be updated and reviewed.

9.7   As Capita services came back in-house, CCS provided support to create "new" departmental plans for these areas, as they were under the Capita BC plan until January 2019, and had to start from scratch.

9.8   The Generic Emergency Response Plan was reviewed following the last corporate exercise (emergency planning) including recommendations made following the exercise e.g. hand over checklists.

QA Audit Programme

9.9   A QA Audit Programme was created to support the recommendations and outcomes of the previous corporate BC exercise. This programme of work concluded in March 2019, in time for the Corporate BC exercise.

9.10   The CCS supported directors throughout the process ensuring that the business impact analysis (BIA), critical functions, processes etc. and the related plans were updated. The onus is with Directors and departments to ensure BC is considered and embedded within the departments, and to

support BC Champions where departments still have this resource.

9.11   All services have completed their audit, with scores ranging from 70% to 98%. Every service was challenged on the BIA's, and had the opportunity to have a mini departmental exercise delivered with support from the CCS. A number of services took advantage of this. The QA audit should be undertaken every year to ensure the plan is fit for purpose and any changes are reflected within the plan.

e-Learning Portal

9.12   The CCS is using the corporate e-learning portal to promote awareness of the corporate role and expectations of staff in support of the Service. There are two e-learning packages available. The first is aimed at all staff as an introduction to Civil Contingencies, with an option to become a volunteer. The second is specifically for all managers to have an understanding of civil contingencies and the impact an emergency or business disruption has on their service and their responsibility if one of their staff is a volunteer. All staff should be aware of these training packages and undertake them.

Schools Emergency Planning Template (Charging For Advice)

9.13   The CCS has worked with Education Services and the Education Risk Advisor to create a streamlined "model emergency plan template" to be used by infant schools right through to colleges and children's centres.

9.14   This streamlined service has been promoted to all primary, junior and secondary schools, regardless of their status, as the Council has a duty to provide advice prior, and support during an emergency. The CCS charges for any bespoke training/plan writing for schools. The plan include business continuity, call cascades, "sheltering" and "lockdown" for schools, which are included within OFSTED challenges to schools.

9.15   To date twenty three schools have requested initial advice and guidance and two schools have requested specific chargeable services e.g. training and exercising.

Project Griffin Update (ACT – Action counters terrorism)

9.16   Under the CONTEST Strategy the CCS (through the Civil Contingencies Act 2004) delivers the Prepare and part of the Prevent strands of counter terrorism in Blackburn with Darwen in conjunction with the police and the Council's Prevent team.

9.17   Project Griffin (now rebranded ACT) is a National Counter Terrorism Security Office (NaCTSO) training package to raise staff awareness around counter terrorism. During the last year 451 staff have received this mandatory training. The training reassures staff and raises awareness in identifying suspicious behaviour and not for religious stereotypes. The ACT training is now available online as an annual training package.

Training delivered

9.18   Under the Civil Contingencies Act 2004, Local Authorities must ensure that their staff and volunteers are ready and trained to perform the functions/roles expected of them. The CCS delivered 31 basic types of training sessions over the year in addition to the 20 sessions of ACT training noted above. There is a corporate training programme outlining all of the essential training for staff for the Council's wider response to an emergency. This matrix includes 21 different types of training which the CCS either delivers or is

integral to. This includes the Emergency Planning College Masterclass which was attended by external partners, generating a small income for the council.

9.19   Specific Operation Merlin Training was delivered to the Public Protection service to ensure understanding of the staff roles in a specific scenario with the police, fire, ambulance and CCS.

9.20   The role of the Tactical Officer was reviewed, transforming it to the more accurately named Strategic Officer role. The number of chief officers and senior managers on the rota was increased, creating a "buddy system" for resilience and ease of changes/swaps etc. Comprehensive training was put into place for all new (and existing) Strategic Officers with resource packs and additional training dates in place over the year discussing specific arrangements etc. The new "buddy" system rota started in April 2019.

EU Exit – Council Preparations

9.21   The CCS has been preparing for a "no deal" European Union exit, working in collaboration with external partners under the Lancashire Resilience Forum and with Local Government Association and regional Chief Executives reporting into MHCLG and other Government departments.

10   Key Additional Developments for the next 12 months

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

10.2   Traded Service for Schools will be revisited for the Emergency Plan Model template to ensure that the wider safeguarding responsibility for schools includes child and staff safety in emergency response and business disruption, with an income generation aspect.

10.3   Countywide Emergency Response Group (ERG) Volunteer Training will continue to be developed in order to ensure that the community receives consistent support across the county. Blackburn with Darwen Borough Council will continue to host training events for internal staff and for countywide staff, with a published list of training dates available.

10.4   The whole range of CCS training packages will be going online for all staff, including the Induction module/ Managers module/ all ERG training/ Elected Members training etc.

10.5   The CCS is working on creating a "Staff Information Line" to be used in times of emergency to inform staff of welfare issues or emergencies. This will utilise information held in MyView i.e. staff contact numbers to text alert staff to call the Staff Information Line for fuller specific information. This would be activated with Strategic Officer permission. This is still in the development stage due to delays with staff updating personal information to MyView.

10.6   The CCS Manager is conductiong a full review of the standby arrangements across the organisation. The aim is to make the system more resilient and ensure it is fit for purpose. Initial findings and recommendations will be

presented to Management Board in May 2019.

10.7 The CCS and members of the Council will participate in a Lancashire Resilience Forum multi-agency live exercise in November 2019. This has been in the planning since summer 2018, with multiple elements of response.

EVENTS

11 Events Safety Advisory Group (ESAG)

11.1 This multi-agency group, chaired by the Leisure Facilities Manager, is well established and meets on a regular basis to review events planned across the borough. 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. 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.

11.2 Registration of events is stringent with organisers required to submit Event and Traffic Management plans and insurance details which are scrutinised by all members of the group. In addition, the organisers of large events are invited to an ESAG meeting to be interviewed by the members. Once this is all complete the Group signs the event off. This is done in order to ensure safe and well managed events are conducted and also to protect the Council in terms of its reputation and any risk possibilities.

11.3 During 2018/19 the Council has arranged or facilitated numerous events from fairgrounds in parks and the Town Centre to music festivals at Darwen Music Live, the large Restricted Forrest events at Witton and the Festival of Making in the town centre. In 2019 O2 Victoria Warehouse are bringing their Wonderwood festival to Blackburn and we also have the Restricted Rocks tribute band festival. This year will represent a large increase in events across the Borough with Shadsworth, Queen's, Corporation and Witton Parks, hosting a range of events and there are also circus and fairgrounds on Borough Road in Darwen. We expect these to deliver increased footfall and a good positive vibe around the Borough in a safe and well organised manner and in the next year we are expecting even more events to be held.

11.4 Recently there have been high profile cases of ESAGs in other Authorities not getting it right. To learn from these the Group Chair circulates details relating to the incidents with the members of the group, where possible, to reiterate the level the level of responsibility that we have in protecting the reputation of the Council. In addition, a best practice training course was arranged for the Group that was delivered by Zurich Municipal in May 2018, as part of their risk management support. This covered the role and responsibilities of ESAG groups.

INFORMATION GOVERNANCE (IG)

12 Introduction

12.1 The IT Compliance and Information Governance team, within the Information Technology Management & Governance Department, has overall responsibility for the information governance framework within the Council.

The team also receive and coordinate responses to Freedom of Information (FOI), Environmental Information Regulations (EIR) and Data Protection Subject Access (DP SARs) requests.

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 are 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 2018/19 and comparison against 2017/18

		2017/18	2018/19
FOI	Number received	1204	1373
	Number due	1174	1366
	Number on time	1155	1335
	% on time	**98.38**	**97.73**
EIR	Number received	1035	1098
	Number due	1029	1127
	Number on time	612	971
	% on time	**59.47**	**86.16**
Combined FOI/EIR	Number received	2239	2471
	Number due	2203	2493
	Number on time	1767	2306
	% on time	**80.21**	**92.50**
DPA	Number received	160	250
	Number due	163	203
	Number on time	109	138
	% on time	**66.87%**	**67.98%**

13.1   The number of FOI/EIR requests received in 2018/19 has increased by 10.4% compared to 2017/18. Whilst the numbers of requests continue to increase each year this is a slight reduction in the annual increase compared to the previous year. FOI compliance rates were above the mandatory requirement rate of 85% with a rate of 97.73% responded to on time. EIR compliance rates have improved to 86.16%, which is just above the mandatory requirement of 85%.

13.2   The number of DP SARs received in 2018/19 has increased by 56.3% compared to 2017/18. The compliance rate again falls short of the mandatory 85% requirement with only 67.98% of requests answered on time.

14   Information Assurance Incidents Recorded During 2018/19

14.1   During 2018/19 there were 57 information assurance incidents recorded, an increase of 111.11% from 2017/18. All incidents have, or are in the process of being investigated. Remediation action plans have been drafted in agreement with the Senior Information Risk Owner (SIRO) where applicable and implemented by the responsible officer. Incidents where the cause has been identified as process failure as opposed to human error will continue to be reviewed to ensure the suggested remediation actions have been

completed within the timescale required. It is to be noted that increased awareness is also a contributory factor to the upturn in reported incidents.

14.2 A breakdown of the incidents by department is as follows:

Department	2017/18	2018/19
Adults Services	3	3
Children's & Education	5	24
CEO	1	1
Digital and Business Change (Business Support)	N/A	9
Environment and Operations	2	4
Finance and Customer Services	3	4
Growth and Development	1	2
Public Health and Wellbeing	N/A	1
HR, Legal & Governance	12	9
Total	**27**	**57**

14.3 There has been 1 complaint made to the ICO within 2018/19.

Department	Self-referral or complaint	Number	Outcome
Children's	Complaint	1	upheld
Total		**1**	

14.4 The complaint was reviewed by the ICO and the Council were reprimanded for not responding within the statutory time period. The IG team have subsequently supported Children's Services and provided the necessary documentation to fulfil the request. The ICO were happy with our remediation action and responded that as the Council has now complied with the request and we have admitted that we could have handled this better, they do not anticipate taking any further action at this time. However they will keep a record of this complaint on file to help build a picture of the Council's compliance.

14.5 A further 2 complaints to the ICO have been made, but so far referred to as premature. These complaints are currently being managed through the SARs and Social Care Complaints process and may yet still result in a full ICO referral.

15 Key events and achievements during the year

15.1 The GDPR 2016 and DPA 2018 were successfully implemented into Council policies and procedures in May 2018. There remains 1 Special Category Data Policy that requires formal ratification. This is currently being reviewed by the Unions and Policy Working Group and is awaiting approval.

15.2 The GDPR mandatory Information Asset Register continues to be updated to ensure that all information assets are appropriately captured in the Records of Processing Activity (ROPA) register. This register is operational in that all the data we have captured so far is uploaded. However action scheduled to review the data held has been slow to progress in the last year owing to

resource pressure. Failure to easily demonstrate that the Council is complaint with the 'Accountability Principle' (Article 30) is considered a breach of the GDPR. There may be limited resource availability within the 6 week school period where resource can be transferred and dedicated to this activity to progress this area.

15.3   Information Governance Mandatory Training was launched in May 2018. Management instruction was for all users to have completed this mandatory training by the end of March. To date only 4% of staff are non-compliant. Reminders have been issued to the users.

15.4   An application to the Local Government Association for additional funding for information security awareness training was submitted in December 2018 and consequently successful. The Council was awarded £5,000 and the funding has been allocated to the procurement of specific information and cyber security awareness training (DOJO) which will be rolled out during quarter 1 2019/20. Evidence that mandatory awareness training has been completed is a formal requirement in both the NHS Information Governance Toolkit (now known as Data Security & Protection Toolkit (DSPT)) and Public Service Network (PSN) Connection toolkits

15.5   The IG team are looking to combine resources with Salford and Oldham Councils, who also have the new DOJO training package, to work as a group to implement a solution that will work for all our respective organisations due to a lack of capacity within the Council to assist with the campaign to roll out the training. The aim is to get the first module pushed out within Quarter 1 2019/20.

15.6   The Council's evidence submission for the 2019/20 NHS DSPT was approved by the SIRO and uploaded by the Council's Data Protection Officer (DPO) in March 2019. This has been accepted by NHS assessors and published on the DSPT website. To date there has not been an assessment score made as this is a new BETA version release of the Toolkit. The Council can confirm however, that it has uploaded the relevant evidence against the 40 modules required to achieve compliance. This will enable the Council to continue to exchange data with NHS bodies.

15.7   Risks have been identified relating to the failure to comply with the Subject Access Provisions in the GDPR 2016. The Council has a number of outstanding subject access requests that carry risk of noncompliance with legislation as they are significantly overdue. The predominant reason for the risk is a lack of specialist resource in 'People Resource' area to complete the requests. In addition there has been a significant increase in the number of complaints issued to the Council regarding SARs in Q4. The Council has received 4 threats to refer to the ICO, 1 actual referral and a string of complaints directly to People Services all relating to the lack of a timely response. The risks of further referrals may cause the ICO to undertake a mandatory inspection of our processes. In turn this could lead to enforcement action.

15.8   The risk to the organisation for failing to respond to subject access requests within the prescribed timescales dictated by the legislation could include the following:

a) ICO Enforcement Action under Part 6 Section 149 of the DPA 2018. The ICO could issue and written notice to immediately remedy the failings of the Council.

b) Powers of entry and inspection under Part 6 section 154 of the DPA 2018. The ICO could determine that the failings of the Council are significant enough to warrant an audit of our subject access request process.

c) Financial Penalty notices under Part 6 Section 155 of the Data Protection Act.

15.9 The IG Team have continued to assist Children's Services with their backlog of SAR's. This has resulted in a significant amount of backfill whilst 2 IG staff members focus on these disclosures. The risk has also been reflected on departmental and corporate risk registers. Escalation to senior management relating to the capacity issues has led to a review of the SARs process and suggestions for improving compliance were reported to the SIRO and Caldicott Guardian. Plans are in place to ensure the necessary resource is provided to deal with the backlog and the demand moving forwards.

15.10 Data Protection Impact Assessments (DPIA) are now a mandatory requirement under GDPR. There is an electronic process being designed by Morecambe Bay with funding from the Greater Manchester Combined Authority. BWDBC IG Team are contributing to the design and testing of this system. Until this is available for release the Council needs a process agreeing as any output from this work stream is likely to be at least 1-2 years away. The IG Team has developed a Council pre-DPIA form, DPIA form and a Management DPIA Summary for Stakeholders and the SIRO to sign off on risk. In the absence of a risk forum, there needs to be an agreed method that ensures that relevant stakeholder approval for the data processing includes senior officers other than the DPO.

15.11 The IG team continue to provide advice, guidance and assistance in the relevant areas of legislation, have appropriate Information Security Examinations Board qualifications in Data Protection and Freedom of Information. The IG Manager has successfully completed the General Data Protection Regulation Practitioner Certificate and has formally absorbed the DPO role on behalf of the Council into her Job Description. The DPO is a mandatory appointment under the GDPR 2016.

15.12 To date the Schools IG team has secured 59 education establishment contracts for the Schools IG SLA for 2019/20. Schools IG worked incredibly hard to prepare all the establishments for the 2018 legislation change, providing all the necessary template policies and privacy notices. In addition the School DPO has successfully conducted an audit of the IG functions in all the Schools that have taken up the service. The revenue target for 2019/20 is set at £25,000. We have already surpassed this figure with 'checked out' SLA packages totalling £41,000.

15.13 We have previously been approached by numerous out of borough schools to provide an IG SLA/DPO Service. However, at the start of 2018/19 with the introduction of GDPR and the additional workload we did not have the resource we needed to facilitate this and felt that the increased burden on a service already running at full capacity may be to the detriment of the existing schools we support and could even start to affect our corporate performance. As GDPR is now fairly well embedded and the demands on the service have reduced slightly it may be worth considering an exercise to see if there is still an appetite among out of borough schools for the service, and to try and establish what, if any, extra capacity would be required.

15.14 The Corporate and departmental risk registers have been updated to include

known GDPR risks, most significant is the risk of enforcement action from the ICO relating to non-compliance with the subject access provisions.

INSURANCE

16   Insurance Policies

16.1   The Council continues to have its insurance with Zurich Municipal under a long term agreement which commenced on 1 April 2017. The agreement is for an initial period of three years with an option to extend for a further two years. Discussions will be held with colleagues during summer 2019 regarding the two year extension. Terrorism cover is provided separately by a Lloyd's syndicate, via Aon Crisis Management, with other minor policies provided by specialist providers.

16.2   During the year the Insurance Team has continued to provide advice and support to departments regarding insurance requirements and claims. The team have also liaised with Zurich and relevant solicitors to discuss 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   During the year we have continued to provide management reports to relating to motor fleet claims and incidents to the Road Risk Management Group and employer liability claims information is provided to health & safety colleagues. Ad hoc reports are produced for managers on request.

17.2   During 2018/19 the insurance team handled 166 non injury highways claims and incidents in-house. This includes 31 open highways claims and incidents at the year end. These include cases where claims will have been refuted or settled in-house following a review of the evidence provided by departments. This approach has benefitted the Council by reducing the claims handling costs of £140 per claim, which would otherwise have been charged by Zurich, and improved customer satisfaction and the Council's reputation by dealing with these claims promptly.

17.3   In addition to these savings, where possible the Team has requested invoices for repairs etc. to be sent direct to the Council in respect of those claims being settled, enabling us to recover the VAT. The team was also able to agree ex-gratia payments in a number of cases, limiting the cost to the Council.

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 case load management. They also contest the costs of settlements including claimants' solicitors' legal fees and costs, saving the Council significant sums.

17.5   In the last year this has saved £128,957 on costs initially claimed, an average saving of £9,920 (38%) per case. It should also be noted that the 2018/19 claimants costs finally paid have decreased by approximately 31% compared to 2017/18, to a total of £213,036,. The solicitors have also made significant savings on final settlements compared to total initial reserves in respect of defended cases in the year amounting to £516,722. The outcomes of claims

listed for trial are illustrated in the final chart at Appendix 2.

18   Insurance Claims Experience

18.1   Since the implementation of the Jackson reforms in August 2013 we have not experienced any significant increase in the numbers of claims received. The number of claims received by the Council during 2018/19 has decreased compared to the previous year. This is due to a number of factors but one area where there has been a significant reduction is the highways related claims.   This is primarily due to the better winter weather in 2018/19 compared to the previous years. We are able to defend the majority of these claims.

18.2   The trends in claims and incidents volumes and values received against the class of business over the last three years are set out in the table and charts in Appendix 2. It should be noted that claims may be received up to three years after the date the event occurred, or in the case of long tail claims, such as noise, hand arm vibration, asbestos and abuse, three years after the person first became aware they have suffered the injury. For claims relating to children, these can be received up to three years after their 18th birthday.

Class of business	No of Incidents		Claims		Total	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Employers Liability	5	8	10	13	15	21
Motor	33	43	33	27	66	70
Other	0	0	2	1	2	1
Property	5	2	18	18	23	20
Public Liability	77	74	177	137	254	211
Total	**120**	**127**	**240**	**196**	**360**	**323**

18.3   In February 2017 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. As a result this has led to an increase in the total cost of the open claims and any settlements made for long term post made after 20 March 2017. Insurers announced substantial increases in their claims reserves as a result. Following consultation on the issue during the year a further review of the rate was announced in September 2017. However at this stage it is unclear when any further change will happen.

18.4   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 £2.0 million at the current calculation, along with any new claims, and this is taken into account when the minimum level of balances is reviewed during the annual budget process, and in assessing contingent liabilities when the Statement of Accounts is prepared.

19.7   As the scheme of arrangement has now been triggered, since 2014 the Council has paid levies totalling 25% (amounting to £493,967) on known claims at the time. A provision of £324,260 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 2019.

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 Primary Assurance Group.

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DATE: 13 June 2019
BACKGROUND PAPERS: Corporate Risk Management Strategy and Framework 2015/20