



ST HELENS
BOROUGH COUNCIL

Town Hall, St. Helens, Merseyside, WA10 1HP

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Agenda

AUDIT AND GOVERNANCE COMMITTEE

PUBLIC MEETINGS ARE WEBCAST (LIVE STREAMED)

Date: Monday, 23 November 2020 Time: 5.30 pm Venue: Virtual

Membership

Lab 8 Councillors Banks, Bond (Chair), Clarke, Grunewald, D Long, Murphy, Pritchard and Pearson

LD 1 Councillor Smith

Con 1 Councillor Reynolds

<u>Item</u>	<u>Title</u>	<u>Page</u>
9.	<u>Risk Update Report</u>	3

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 <p>ST HELENS BOROUGH COUNCIL</p>	<h2>Audit and Governance Committee</h2> <h3>23 November 2020</h3>
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Report Title:	Update on Risk Management Arrangements
Cabinet Portfolio	Finance and Governance
Cabinet Member	Cllr Martin Bond
Exempt Report	No
Reason for Exemption	N/A
Key Decision	No
Public Notice issued	N/A
Wards Affected	All Wards
Report of	Cath Fogarty Executive Director Corporate Services CathFogarty@sthelens.gov.uk 01744 673201
Contact Officer	Jan Bakewell Director Legal & Governance JanBakewell@sthelens.gov.uk 01744 673209

Borough priorities Please mark X for any priority supported by this report NB Use Section 4 - Background Information to explain how each selected priority is supported	Ensure children and young people have a positive start in life	X
	Promote good health, independence and care across our communities	X
	Create safe and strong communities for our residents	X
	Support a strong, diverse and well-connected local economy	X
	Create a green, thriving and vibrant place to be proud of	X
	Be a modern, efficient and effective Council	X

1. Summary

- 1.1 St. Helens Council, in common with organisations of all types and sizes, faces a range of risks affecting the achievement of its objectives, as set out in its Strategic Risk Register. Risk is defined as “the effect of uncertainty on objectives”.
- 1.2 St.Helens Council has an established and integrated risk management system that:
- i) embeds risk management as an integral part of departmental and corporate planning and decision making;
 - ii) establishes an effective system of risk identification, analysis and control;
 - iii) contributes towards sustainable improvements in service and the achievement of value for money;
 - iv) improves governance;
 - v) improves stakeholder confidence and trust;
 - vi) provides operational effectiveness & efficiency;
 - vii) improves organisational resilience;
 - viii) takes account of the increasing use of partnerships as the mechanism for local service delivery;
 - ix) reduces the number and cost of insurance claims arising; and
 - x) improves its ability to defend claims.
- 1.3 The Council recognises its responsibility to identify, assess and manage the risks it faces in the delivery of its services. This report updates the Audit and Governance Committee on current risk management arrangements and the latest Strategic Risk Register.
- 1.4 This report also provides an overview of the impact of the Covid-19 pandemic in relation to our future risk and business continuity planning arrangements.

2. Recommendations for Decision

- 2.1 The Audit and Governance Committee is recommended to:
- i) note the report and the Strategic Risk Register.

3. Purpose of this Report

- 3.1 To provide the Audit and Governance Committee with an update of the Council's risk management arrangements.

4. Background/Reasons for the recommendations

- 4.1 It is a requirement of the Risk Management Strategy that an annual report is presented to the Audit and Governance Committee to provide an update on activity in relation to the Council's risk management arrangements.

5 Consideration of Alternatives

N/A

6 Conclusions

- 6.1 Risk management arrangements remain fit for purpose.
- 6.2 There are currently 4 risks assessed as High, 3 which are Medium to High, and 1 which is Low to Medium. The Strategic Risk Register identifies the range of mitigating actions and controls which are required to minimise the impact and likelihood of the risks occurring.

7. Wider Impacts and Implications

- 7.1 Significant impact on a range of Council services across all directorates.

8. Background papers

- i) BS:31100(2011) BSI British Standards: Risk Management – Code of Practice
- ii) Management of Risk: Guidance for Practitioners (2010) Office of Government Commerce
- iii) ISO:31000:2018 Risk Management Principles & Guidelines.
- iv) Risk Management Strategy

9. Appendices

- 9.1 Appendix 1 – Update on Risk Management Arrangements

Appendix 2 - Strategic Risk Register

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Audit and Governance Committee

November 2020

Update on Risk Management Arrangements

1.0 Introduction

- 1.1 St. Helens Council, in common with organisations of all types and sizes, faces a range of risks affecting the achievement of its objectives, as set out in its Strategic Risk Register. Risk is defined as “the effect of uncertainty on objectives”. The Council recognises its responsibility to identify, assess and manage the risks it faces in the delivery of its services.
- 1.2 St Helens Council has an established and integrated risk management system that:
- embeds risk management as an integral part of departmental and corporate planning and decision making
 - establishes an effective system of risk identification, analysis and control
 - contributes towards sustainable improvements in service and the achievement of value for money
 - improves governance
 - improves stakeholder confidence and trust
 - provides operational effectiveness & efficiency
 - improves organisational resilience
 - takes account of the increasing use of partnerships as the mechanism for local service delivery
 - reduces the number and cost of insurance claims arising
 - improves its ability to defend claims.
- 1.3 Risk Management is informed by the following external standards:
- BS:31100(2011) BSI British Standards: Risk Management – Code of Practice
 - Management of Risk: Guidance for Practitioners (2010) Office of Government Commerce.
 - ISO:31000:2018 Risk Management Principles & Guidelines
- 1.4 Risk management policy forms only a part of a wider set of integrated arrangements intended to ensure that the Council can continue to deliver its services in the face of a range of challenges, from minor interruption or impairment of a single service, through to its participation within the multi-agency response to a major incident impacting on the community of St Helens.
- 1.5 In recent years, the impact of austerity has presented one of the biggest risks to the Council in the delivery of its services. This year the impact of the Covid-19 pandemic has compounded a difficult financial position and is now the greatest risk to the

Council's ability to continue to deliver services. Further detail on the impact of the Covid-19 pandemic in relation to our risk management arrangements is set out in Section 5 of this report.

2.0 Risk Management Responsibilities

- 2.1 It is everyone's responsibility to manage risk effectively in their jobs and report hazards and risks to their service manager.
- 2.2 The Council's Cabinet review and approve the Risk Management Policy Statement and Strategic Risk Register and they also monitor and review the effectiveness and development of risk management measures which in future will be included in performance management reports commencing in quarter 3.
- 2.3 The Audit and Governance Committee oversees the continued development and effectiveness of the Council's Governance Arrangements, which includes the Council's arrangements for managing risk.
- 2.5 The Chief Executive has ultimate responsibility for risk management arrangements within St Helens Council.
- 2.6 Executive Directors are responsible for identifying and analysing significant risks arising from their service activities and ensuring that their respective contributions to the Strategic Risk Register are kept up to date.
- 2.7 Executive Directors will notify the Insurance Section of any significant changes in service provision in order for the Executive Director of Corporate Services to ensure that appropriate and adequate insurance is in place.
- 2.8 The Risk and Resilience Manager is responsible for the provision of advice and guidance on all risk management matters.
- 2.9 The Insurance Officer, in conjunction with the Authority's Claims Handlers, Brokers and Insurers, is responsible for:
 - ensuring that policies are in place for all major areas of risk
 - the overall cost of claims is minimised,
 - the risk management programme is supported by providing advice and claims data to Executive Directors.
- 2.10 Internal Audit are responsible for monitoring compliance with and the effectiveness of risk management measures, as part of their ongoing audit programme. Management of risk is also a key component of the Annual Governance Statement.

3.0 Risk Management Processes

- 3.1 Risk Management is applied to critical decision-making, planning and delivery as they apply to St Helens Council's strategic and operational goals.
- 3.2 The Strategic Risk Register has been developed to capture and maintain information on all identified (reasonably foreseeable) risks (uncertainties) relating to strategic organisational activity and goals. The register follows best practice, as set out in the ISO 31000:2018 /IRM Risk Management Standard, BS:31100 and guidance from the Office of Government Commerce.

- 3.3 The Strategic Risk Register provides a dynamic mechanism for the identification and control of existing and emergent risks. Each risk is assigned to a lead stakeholder responsible for ensuring that information and actions are up to date. Details of the current strategic risks, risk owners and leads and risk assessment are provided at **Appendix 2**.
- 3.4 A detailed risk assessment is completed in the first instance and this is rated in accordance with a 5x5 scoring matrix with Low scoring 1 and high scoring 5, which determines the review frequency:

Category	Score	Review Timelines	Current Number
Low / Medium Low	0-9	12 months	1
Medium High	10-19	6 months	3
High	20-25	3 months	4

- 3.5 There are currently 4 risks assessed as High, 3 which are Medium to High, and 1 which is Low to Medium. The Strategic Risk Register is managed via an online database which identifies the range of mitigating actions and controls which are required to minimise the impact and likelihood of the risk, including any links to shared or partner agency risks.
- 3.6 All risks that are no longer required to reside on the Strategic Risk Register have detailed supporting information providing the reason why they no longer possess a risk for the Council and this is agreed by the Executive Director. This in turn is held in an archive in the event the risk is subject to revival or scrutiny.
- 3.7 Full supporting documentation can also be uploaded to the revised Strategic Risk Register to give a more thorough understanding of the risk specified.
- 3.8 The risk identification process is also an integrated part of Service Plans. The Council's Service Planning process is currently under review. However a consideration of key risks will continue to be a mandatory requirement of the Council's annual service planning process with a clear alignment between managing risk, managing performance and managing delivery of objectives with progress reporting and escalation to the Strategic Risk Register, where appropriate.
- 3.9 Decisions taken under delegated powers also require the consideration and control of associated risks, a rationale is required for those Delegated Executive Decisions identified as having no associated risks.
- 3.10 Projects and programmes for capital schemes and/or business change will normally be delivered using Project Management methodology which includes the identification and control of associated risks.

4.0 Risk Monitoring and Reporting Arrangements

- 4.1 The Strategic Risk Register will be considered by Executive Directors quarterly in future to confirm that identified risks adequately reflect the current operating environment and link with the Council's strategic objectives.
- 4.2 The Risk and Resilience Manager undertakes regular reviews of the Delegated Executive Decisions database, on a sample basis, to ensure risk is being given due consideration and new risks are documented.

- 4.3 Risk financing follows a mixed strategy, which combines self-funding, to meet the cost of claims below the level of excesses, with external insurance obtained through a tender process. The internal insurance fund is subject to regular and independent audit by the Council's brokers to ensure it is sufficient to meet the costs of current and projected claims and losses, whilst minimising the impact on service budgets.
- 4.4 The Risk and Resilience Manager together with Corporate Insurance, undertake a quarterly review to ensure the Strategic Risk Register fully incorporates all insurance considerations. The insurance considerations are documented within each risk.
- 4.5 The Authority's Estates and Asset Manager, in conjunction with the Health & Safety Manager ensure that there are effective systems of service, inspection and maintenance to control the risks arising from the Authority's built assets. This includes ensuring compliance with the restrictions as a response to Covid-19, the requirements for social distancing, QR codes, sanitiser stations at all entry / exit points and signage throughout the authority's buildings.
- 4.6 Provision is made within the Internal Audit Plan for a review and assessment of the risk management framework and processes.

5 Response to the Covid-19 Pandemic

- 5.1 The Covid-19 Pandemic has proved to be the biggest risk for the Council in the continued delivery of its services.
- 5.2 Although a Flu-type pandemic has for many years been on the Risk Register as a significant risk, the risk of an event as seismic and as sudden in its consequences as the Covid-19 pandemic could not have been foreseen.
- 5.3 It is worth noting that the Covid-19 pandemic occurred at the same time as two other very high risk events were taking place across the Council:
- i. The Council was dealing with the prolonged impact of austerity and, as a result, was operating in a number of areas with reduced staffing and resources
 - ii. There was a significant change in leadership at the most senior level. The third Chief Executive in 12 months had only been in post for a matter of days before the first lockdown was imposed. In addition, the new Assistant Chief Executive, the new Executive Director of Place and the new Director of Children & Young People Services commenced with the Council during the lock-down. The additional consultancy support within Place and Education were also new to the Authority. Finally, the additional capacity recognised as required within Corporate Services (the Director of Legal and Governance, the Director of Finance and the Assistant Director Commercialisation) were not yet in post.
- 5.4 However, the Council had strong foundations in place to support its response to the Covid-19 pandemic. These included:
- An over-arching approach to business continuity planning, which identified priority 1 Council services, had recently been completed and approved. This was an essential tool when decisions were made on closing down some non-essential services and redeploying staff into priority areas;
 - The Council had recently agreed as part of the One Council Modernisation programme to roll out surface-pros and Office 365. This programme was well under way when the pandemic hit and due to the efforts of the IT team, the remaining

surface-pros were quickly rolled out to all eligible staff and Members which allowed successful home-working;

- The Council has a committed workforce who were prepared to step up and work flexibly wherever the need was greatest. A particular strength is the health and social care integrated commissioning arrangements between the CCG and the Council which enabled us to share capability and capacity and jointly manage some of the big challenges such as testing, support to shielded groups and support for care homes. In addition, Contact Cares supports discharges from hospital and helps to avoid admissions. During the pandemic, Contact Cares was the single phone number for residents but also worked effectively and rapidly to support our vulnerable residents. This work was supported through the Shared Care Record. Integrated working meant the Council's response was rapid, appropriately targeted and integrated with key agencies and volunteers.

- 5.5 As part of the Council's learning from the pandemic and in its response, all Risk and Business Continuity plan owners have been asked to consider how the Covid-19 pandemic will impact on their future business continuity planning.
- 5.6 Impact assessments have been completed identifying what worked well and what areas could be improved. Key considerations that will impact the Strategic Risk Register going forwards will include the impacts of agile/home working, future resource planning, greater reliance on IT, impact of the changes to buildings use, and impacts/ changes to relationships with partners.

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Strategic Risk Register - as at September 2020

Strategic Risk Number	Risk Title	Risk Description	Link to other strategic risks	Directorate	L	I	Risk score (Likelihood x Impact)	Controls and Mitigation	Target L	Target I	Target Score (Likelihood x Impact)	Risk Owner	Review Date	Review Update	Next Review Date
SR01	Covid/Pandemic Response	The impact of the pandemic on the Borough's public health and the delivery of its services plus the Council's workforce capacity, income and expenditure and resilience.	SR02	Integrated Health & Social Care	5	5	25	Collaborative working with central government and Liverpool City Region re funding. Workforce monitoring, review of flu pandemic and business continuity plans and expenditure monitoring are in place and regularly reviewed. Community support response appropriate to locality demand and need. Work with Merseyside Resilience Forum (MRF) partners together to plan for the management of: demand on the NHS and social care, winter pressures, test, track and trace systems, distribution of anti-viral medication, co-ordination of vaccinations, public awareness and media management and excessive levels of death.	5	3	15	Executive Director , Integrated Social Care & Health	Jan-21		May-20
SR02 3	Budget Restrictions & Management of Pressures	Lack of certainty about future funding makes it difficult to set a robust Medium Term Financial Strategy along with a reduction in the Council's income as a result of changes in activity levels.	SR01	Corporate	5	5	25	Budget monitoring and reporting is in place. Maximise funding opportunities from central and regional government, innovative ways to generate and maximise income from current activities, assets and new ways of working.	4	4	16	Executive Director, Corporate	Jan-21		May-20
SR03	Safeguarding Failure	Liability for potential claims arising from the death of a vulnerable child or adult and impact on the Council's reputation, service delivery, Ofsted rating and financial position.		Integrated Health & Social Care / Children & Young People	4	4	16	The Children's Improvement Board, which is independently chaired, monitors improvements in the quality of practice and performance improvement. The Council is subject to inspection via Ofsted and review by the DfE as a local authority subject of a notice to improve. Assurance is being sought about whether the Council's own quality assurance is accurate via an independent auditor and a relationship with Cheshire West and Chester local authority as a partner in practice. Investment in services has improved capacity and capability to deliver on the required practice and service delivery. This has enabled reductions in social work caseloads to a more manageable level for most social workers and improvement in staff stability.	3	4	12	Executive Director, Integrated Health & Social Care/Director of Children & Young People	Jan-21		May-20

SR04	Regeneration Delivery	Impact of failure to deliver key regeneration programmes and projects on the Borough's economy and jobs market, the Council's income and reputation.	SR02	Place	4	4	16	Additional senior level resources and consultant support have been brought in put in place a robust project and programme environment to manage regeneration in the Borough. This resource together with collaboration with colleagues in the Liverpool City Region Combined Authority are focussed on time limited opportunities, supporting governance arrangements, funding bids and delivery of projects. A formal risk register for each project is currently being developed.	3	4	12	Executive Director, Place	Jan-21	May-20
SR05	Cyber Liability (including Data Theft)	Increased use of new technology systems for new ways of working to improve communication, accessibility and transaction requirements may lead to an increasing risk of a security breach, either malicious or inadvertent from within the organisation or from external attacks by cyber-criminals leading to legal, financial and reputational issues for the Council.		Corporate	3	5	15	ICT have plans in place to protect the Council from cyber attacks which are reviewed regularly. The Council is exploring cyber threat insurance cover with its broker and reviewing what is available based on the new government advice and what the Council's appetite for the risk is versus the cost.	3	4	12	Assistant Chief Executive	Jan-21	May-20
14														
SR06	Social Care Provider Failure	Increased pressure in the social care market, rising costs, increasing complex needs and funding pressures exacerbated by Covid-19 increase the likelihood of multiple provider failure and market collapse.	SR02	Integrated Health & Social Care / Children & Young People	4	5	20	A placement sufficiency strategy is being developed to to predict demand and better understand how the market can meet demand. A placement panel and placement approval arrangements are in place that help the Council to understand any real time risks and issues and budget impacts. Monthly finance reports are received. The Council is increasing its in-house provision and is engaged in working on a Liverpool City Region basis to develop the placement market. Work is underway to increase the number of in-house foster carers and to review occupancy of fostering households.	3	5	15	Executive Director, Integrated Health & Social Care/Director of Children & Young People	Jan-21	Jul-20

SR07	EU Exit, Single Market & Local Growth	Failure to be adequately prepared for the Exit from the EU particularly in relation to the potential impacts on Consumer Protection, Food Safety, Waste Operations, Highways, Traffic Management and the business community.		Place	5	4	20	A watching brief is being maintained by lead officers on the EU Exit Preparation Group to ensure risks are identified early and managed i.e. impact on business community, additional pressure on regulatory services arising from additional products requiring testing and legislation not being transferred into UK legislation. As at September 2020, a deal with the EU is still uncertain.	4	4	16	Executive Director, Place	Jan-21		
SR08	Climate Action Failure	Failure to adequately prepare for the impact of climate change, particularly in relation to the increased frequency and severity of adverse weather events may give rise to the Council having increased costs. Also failing to embrace the opportunity to grow back greener and deliver the Environment Strategy.		Place	4	3	12	The newly created post of Director of Operations within the Place directorate will lead on this piece of work at a strategic level in the organisation. They will support the formation of a Climate Change Commission which will then oversee the direct work of the Council to reduce its carbon footprint and also to help the Council in its leadership and enabling role to tackle climate change and meet the Borough's net carbon zero.	3	3	9	Executive Director, Place	Jan-21		Mar-20

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