



## 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.