

Corporate Risk Management Update

Audit Committee

Date: 5th November 2013

Author: Interim Risk Manager

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To present Audit Committee with a summary report on Risk Management activity within Swindon Borough Council, with the latest Corporate Risk Register.
- 1.2 Following the refresh of the Corporate Risk Management Strategy in November 2012, a progress update is included in paragraph 3.5 which outlines the status of implementation of the framework for Risk Management across the Council.
- 1.3 Audit Committee provides independent assurance to the Council on the effectiveness of the Council's Risk Management, Internal Control and its overall assurance framework. update

2. Recommendations

The Committee is recommended to:

- 2.1 Discuss and gain assurance on the risk management approach and processes working across the Council and risks captured in the Corporate Risk Register.

3. Risk Management

Corporate Risk Register

- 3.1 The Corporate Risk Register is updated and agreed quarterly with Corporate Board Members. It reflects emerging strategic issues and risks from across the organisation. Mitigating actions are monitored for implementation in dealing with identified risks as part of this process.
- 3.2 The Council currently manages risks at three levels, Corporate, Pillar and Change Programme/project. Significant delivery partner/contractor risk registers are being developed as part of the roll out of the Risk Management Strategy.
- 3.3 The Corporate Risk Register is provided at appendix 1 and includes the respective triggers, current controls and mitigating actions for each risk entry. There are currently nine strategic risks captured in the Corporate Risk Register, and there have been two risk entry movements in the last quarter, these are:
 - Removal of the Swindon Commercial Services Ltd (SCS) risk relating to the return of financial rebate to the Council. This has been mitigated with future actions captured in the Reintegration of SCS change programme.

Further information on the subject of this report can be obtained from Lorraine Sarson, 01793 463936, lsarson@swindon.gov.uk.

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There are currently no other significant SCS related risks identified from a review of SCS Ltd, Council Pillar and Client risks registers. From risk monitoring meetings with the Interim Managing Director of SCS (Board Director Service Delivery) and the Board Director of Resources the Reintegration of SCS change programme is on target to achieve its outcomes.

- The Stronger Together Programme Director has added a Community Capacity risk to manage insufficient capacity and capability in communities to take up reductions in public services.

3.4 The significant risks (see appendix 2 – Corporate risk profile), before mitigating actions, on this register can be summarised into five main areas:

- 'Delivering our agreed key objectives'
- 'Meeting the 'Medium Term budget challenge'
- 'Delivering the value and benefits of the Stronger Together Programme'
- 'Developing Community Capacity'
- 'Health, Safety and Wellbeing'

A feature of these key risks is that they are closely linked to each other and are captured in our business change programmes and projects and also in our organisational values and behaviours. For example the risk around developing community capacity will be strongly influenced by our ability to manage the risk around the delivery of the Stronger Together programme benefits. This is also true in relation to:

- our ability to meet current and future financial challenges and transform and develop our own organisational culture, and capabilities and capacity;
- developing a co-productive, less dependent relationship with the community though successful delivery of the Stronger Together programme will be key to increasing the Council's own capacity and managing demand.

Therefore, the interdependencies of these risks to achieve successful outcomes are significant and continue to be closely monitored and reviewed as part of the maturing risk management process.

3.5 Development of Risk Management

3.5.1 Implementation of the Risk Management Strategy.

Since the refresh of the Risk Management Strategy in December 2012 the Interim Risk Manager has been implementing the framework for Risk Management across the Council and with significant partners and contractors. The framework is intended to reflect the changing environment in which the Council is operating, agreed organisational priorities and strategies and the change in organisational structures

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implemented as part of the Stronger Together programme and Public Sector Transformation agenda.

3.5.2 Risk Management Spotlight Session

A regular Corporate Board Risk Management Spotlight Session was introduced in March 2013 with the support of the Chief Executive. The intention of these sessions is for the Interim Risk Manager and Corporate Board to develop the Council's risk management maturity by applying risk management best practice and guidance. The ALARM (Public Risk Management Association) National Performance Model for Risk Management was used to facilitate a self-assessment health check to test the organisation's Risk Management performance against this assessment framework. There are five levels of risk management maturity in the model this rises from level one – Engaging to level five – Driving, with level five being the highest. Following the self-assessment health check a maturity level of two – Happening, was demonstrated and Corporate Board set a developmental performance target of level 3 – Working, set to be achieved by 31st March 2014.

3.5.3 Risk Management Training and awareness

To develop the Council's risk maturity, training was identified and arranged to support the introduction of the Council's major new Change Programmes, established to deliver transformational change and savings. Zurich Municipal Ltd, the Council's insurers, facilitated this session in May 2013 which was attended by Programme Sponsors and Programme Managers and other interested Officers. This training was well received with the outcomes contributing to the reporting of key risks to Corporate Board.

Risk Management Training has been developed in-house to aid staff in their understanding of risk, roles and responsibilities and the basics of risks management. This E-learning module is available through the Council's Intranet site and the Learning Zone. It has been publicised in the Manager's Brief highlighting the need for relevant managers to carry this out.

The Risk Management Intranet pages have been updated to ensure that clear and consistent information is available to all officers and members. The pages have been consolidated, rewritten and the guidance and references updated. This information can be found at <http://oneswindon/BusinessSupport/legalcompliancesupport/managerisk/Pages/managerisk.aspx>

The Interim Risk Manager has been working with the Chief Executive, Board Directors and their Leadership Teams and the Change Programme

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Sponsors and Programme Managers to moderate the completion of risk registers and to identify, manage and escalate emerging issues and risks across the organisation.

4. Insurance

- 4.1 During 2012 an insurance tender was carried out as the provider contract was due to expire at the 31st December 2012. The outcome of this exercise was that some reductions in premium were obtained together with some improvement in the terms being provided by insurers. The Tender was won by the existing insurer, Zurich Municipal Ltd.

Following the announcement that Swindon Commercial Services is to be brought back into the Council, negotiations are presently under way to ensure that insurance cover will have been amended to meet the needs of the Council going forward.

- 4.2 The number of claims being made against the Council is still reducing and more claims have been successfully defended resulting in savings in the amounts paid out. However, this situation may reverse when Swindon Commercial Services comes back into the Council as their claims record has been poor over the last three years. A lot of work needs to be done to obtain improvements which will take time to achieve.

A summary of the claims since April 2010 is set out below.

	April 2010 to March 2011		April 2011 to March 2012		April 2012 to March 2013	
	Claims	Cost £'s	Claims	Cost £'s	Claims	Cost £'s
Employers Liability	14	£202,561	7	£64,230	10	£42,204
Motor	3	£17,198	1	£1,955	4	£3,920
Property	51	£209,577	38	£95,648	15	£61,757
Public Liability	228	£491,108	148	£781,768	144	£531,572
Total	296	£920,444	194	£943,601	173	£639,453

Note - The above claims figures are the latest available as at 30th September 2013. The next period figures will be compiled in November 2013.

- 4.3 In April 2013, new rules relating to making claims were introduced with further changes in July. The main changes were the reduction in time allowed to defend a claim, and it is now extremely important that the various departments throughout the Council respond promptly to requests for information when claims are made. Failure to meet the timescales may result in the claim being awarded against the Council, and monies having to be paid out to the claimant. Another change related to the way in which the claimant's solicitors operated on a 'no win

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no fee' basis. Over time, it is hoped that this will reduce the overall claim payments being made as, in many cases, the bulk of the payment relates to the claimant's solicitor's costs.

5. Business Continuity Management

- 5.1 The impact of an influenza outbreak on the vulnerable people the Council cares for and on provision of service has been recognised and a joint seasonal flu vaccination programme with our partners in Capita was authorised in autumn 2011. This programme helped to reduce staff sickness in the Council alone by 371.5 days in the period September 2011 to end August 2012. The effect of this is to increase service resilience against a flu outbreak, and reduce the risk to vulnerable service users. The seasonal flu vaccination programme was again authorised for 2012/2013 and for 2013/2014. The programme this year will commence in November 2013 and will continue to at least mid-December 2013. The Head of Civil Protection together with Corporate Health and Safety provide essential support to the delivery of the programme.
- 5.2 Business continuity supported areas to manage the scheduled power down of the Server Room over the weekend of 27th and 28th April 2013 and further planning is currently being carried out regarding the planned power down of the Server Room on 23rd and 24th November 2013.
- 5.3 Cross-border work and benchmarking has been and continues to be carried out with other authorities that include, Gloucestershire, Oxfordshire, Wiltshire, Hampshire and Dorset.
- 5.4 The duty to promote business continuity and provide advice to business and voluntary sectors has been carried out. A new programme of cooperative working with Wiltshire Fire and Rescue has been initiated targeted at larger businesses. As the hotel sector is an important facet of the Swindon economy, another new initiative has been developed with the Hoteliers Association. Regular meetings have been held during which business continuity and emergency planning advice has been given.
- 5.5 A new "Swindon Safer and Resilient Hotels Programme" has been developed and implemented with the Holiday Inn Express Swindon Centre to train their staff to be able to handle the risks faced by the Hotel. This training was support by colleagues from the Police and the Fire and Rescue Service. The Holiday Inn Express Swindon has now been shortlisted for an international award for this training reflecting well on the Council.

6 Civil Protection

- 6.1 Pathfinder Project - The Head of Public Protection and StreetSmart, the Business Continuity Manager and the Head of Civil Protection were responsible on behalf of the Council (as the Lead Authority) for submitting a bid for Defra funding for a

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Pathfinder Project in Community Resilience for Flooding. The bid which was worth in excess of £278,000 was successful and is being used to fund a two year pilot project in the East Locality of Swindon. The Defra project criteria required the work to be carried out in an area with a high deprivation index as well as susceptibility to flooding and the East Locality East was the area in the Borough of Swindon that best matched this criteria. The project is well underway and regularly evaluated by both Defra and the University of The West of England. The strapline for the project is "Resilience through Education".

- 6.2 Plans and Guides - During the course of the past year, and particularly following the dissolution of the Primary Care Trust, the Council's Major Incident Guide and Recovery Plan have been rewritten to reflect the changes that have occurred with our Public Health Partners. Following consultation with HM Coroner and in preparation for any future Flu Pandemic, a detailed framework guide has been drawn up in conjunction with external and internal partners to ensure that the Council is well prepared to manage an excess deaths event.

- 6.3 Training/Exercising – The past year has been a busy one in respect of training and exercising. The Civil Protection Unit has been involved in the planning and delivery of a multi-agency strategic exercise, "Exercise Red Kite". Key members of this organisation at a strategic and tactical level took part in this exercise which was held over two days on the 9th/10th October. The Exercise was visited by the Leader of the Council on the first day. Other key personnel within the Council have been trained in Integrated Emergency Management at both the tactical and operational levels.

The Unit together with the Business Continuity Manager has also been involved in the delivery of training to the Swindon Chamber of Commerce and the Swindon Hoteliers Association.

Further extensive training will be rolled out in 2014 to enhance the Council's and its strategic partners' resilience in dealing with emergencies. The Unit is looking at cost effective ways of delivering training through the Local Resilience Forum and other regional initiatives.

- 6.4 Winter Resilience

The Unit in conjunction with the Business Continuity Manager is looking at providing winter resilience which will include mitigating the effects of the following:

- severe weather outbreaks
- industrial action regarding fuel
- flu
- staff shortages.

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- 6.5 Health Integration. The Head of Civil Protection worked with the Business Continuity Manager and Louise Doughty, of Environmental Health, in providing a seamless integration with Public Health partners in April this year. These three managers have now jointly taken on the role of preparing Public Health Emergency Plans. It is anticipated that these plans which include Flu Pandemic preparation will be exercised in 2014. The Swindon Resilience Forum that had been established by SBC with Health partners continues to meet regularly to provide strategic direction and ensure risk-based planning for health emergencies in Swindon.

7. Alternative Options

- 7.1 Not applicable, the report outlines key risk management activity carried out to deliver the objectives of the Risk Management Strategy.

8. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 8.1 The risk management budget supports funding for delivering the risk management strategy. General risk management related costs to be absorbed by existing budgets.

Legal and Human Rights Implications

- 8.2 As part of the Accounts and Audit regulations 2011, it is a statutory requirement that the Council maintains a robust, adequate and effective system of Risk Management in the delivery of its core services.
- 8.3 The Civil Contingencies Act 2005 imposes duties on the Council to meet its responsibilities as a Category 1 responder, which as a public sector organisation has a key role to play in the response to and management of an emergency.

Links to One Swindon, Strategic Objectives, Plans and Policies

- 8.4 The Risk Management Strategy and the Corporate Risk Register are management processes that support the successful delivery of the One Swindon outcomes and the Strategic Objectives, Plans and Policies.

Diversity Impact Assessment

- 8.5 A Diversity Impact Assessment has not been completed for this report, as it is a summary of actions taken. Where applicable, Diversity Impact Assessments have been undertaken which cover the following component actions of the report and these are held in the responsible service areas.

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Risk Management

- 8.6 A Risk Assessment has not been completed for this report as it is a summary of risk management activity overall. The Corporate Risk Register is the corporate assessment of key risks facing the Council at this time.

9. Consultees

- 9.1 The Board Director of Resources, (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.
- 9.2 The Chief Executive, Corporate Board, Head of Internal Audit, Insurance Manager, Business Continuity Manager and Head of Civil Contingencies, Head of Strategy & Research, Head of Business Services & Support, Strategic Commissioner – Major Partnerships were also consulted in respect of this report.

10. Background Papers

- 10.1 None

11. Appendices

Appendix 1 – Corporate Risk Register, updated October 2013 (*To follow*)

Appendix 2 – Corporate risk profile (before and after mitigating actions) (*To follow*)