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Portfolio	Cabinet Member for Resources
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Risk Management Progress Report - Q3 2019/20

Executive Summary

1. This report provides a summary of Risk Management and Insurance work during Quarter 3 of the 2019/20 year.

Updates on project plans to implement improvements to the Pentana software system and the latest developments on management of priority risks under Integrated Health and Social Care services are included.

The Insurance Team achieved a claims cost mitigation figure of £252,661.78 for the claims closed in the quarter. Cyber Insurance has been procured for the Council to provide cover for legal liability, costs and response services required in the unlikely event of a data breach incident.

Recommendation

2. This report is for the information of Members to confirm the level of assurance provided through the management of risk and insurance services.

Reason for Recommendation

3. This report is to enable the Audit and Governance Committee, in accordance with their work programme and oversight of governance, to scrutinise Risk Management and Insurance Team coverage during the 2019/20 year for all Council Services.

Key Points for Consideration

4. **Corporate Risk Register**

The Leadership Team continue to proactively manage risks listed under the Corporate risk register. The Corporate risk register can be viewed under Appendix 1.

5. **Service Risk Management**

5.1 Improvements Planned to the Pentana Risk Management System

The Pentana Risk ICT system, used for the monitoring of performance and risk outcomes across the Council and CCG, was launched on 1st July 2019.

Risk data was migrated to Pentana and all risk updates and reviews have been carried out on the system following the launch last year. A project plan has been agreed with the supplier to implement improvements to the handling of risk controls. The changes are planned to be completed by start of April 2020 which will deliver enhancements to on-screen dashboards and reporting capabilities.

5.2 Integrated Care Risk Management

The project management team (PMO) of the Heywood Middleton and Rochdale Clinical Commissioning Group (CCG) coordinated updates to the risk registers of the Integrated health and social care projects during Q3.

CCG reported four risks having residual scores of 16 or more in Q2. All four of these are no longer ranked as residual red scores. Three of these risks related to the potential failure to deliver deflections. Developments within the Planned Care, Urgent Care and Mental Health strategic objectives have led to the decision to close the risks, as they no longer reflect the current risk situation. Reduced scoring for finance risks is also supported by the development of savings programmes in the service areas concerned.

The residual score for the overriding, strategic finance risk has reduced because the CCG and the Council have agreed arrangements to close the pooled fund gap for 2019/20.

During 2019/20 the Health & Social Care (H&SC) pooled fund experienced significant pressure resulting in both the Council and CCG making additional in-year contributions. The pressure on the H&SC pool budget as at the end of December 2019 was £0.8m, however the Council has set aside resources to fund this gap at year end if the gap remains, with a corresponding reduction to the Council's contribution in 2020/21. Further work is underway to address this gap in 2019/20.

Other Integrated Care risks for consideration -

Service	Risk Title	Residual Score
Primary Care	Risk that not enough GPs in the borough to deliver primary health care, causing increased waiting times and reduces timely access to care for the HMR population. Controls: Primary Care Academy commissioned to achieve sustainable and competent workforce by 2021.	9
CCG	Failure to achieve the main NHS Constitution performance measures will impact upon HMR CCG finances, reputation and patient outcomes Controls: Performance monitoring carried out at monthly meetings with commissioners and transformation work to produce upturn against targets.	9

5.3 Risk Management Results

There are currently 2 Red risks within the risk registers of RBC Services' to report -

Ref	Service	Risk Title	Residual Score
CSDR006	Children's Services (Directorate)	Failure to manage within budget impacts the financial position of the Service and its ability to provide services	16
CSCR002	Children's Social Care	Demand for a Children's Social Care Service continues to increase, leading to failure to manage within budget	16

Please note that variations in RAG risk scores should not be viewed purely as a reflection of the effectiveness of risk control activity - risk scoring is also influenced by the severity of risks associated with the different Services and their capacity to mitigate. Further details regarding the factors considered when scoring the risks and the mitigation actions being implemented are provided under Appendix 2.

6 Insurance Team

6.1 Performance

A summary of the work completed by the Insurance Team from October 2019 to December 2019 is set out below.

The team received a total of 108 new claims notifications during quarter 3. This total can be divided between insurance classes – Highways (50), Motor (30),

Other Public Liability (16), Employer's Liability (4), Others (8). This figure is an increase in comparison to the 92 notifications received during Q3 2018/19.

A total of 73 claims were closed by the team during quarter 2. This figure can be divided between the insurance classes - Highways (54), Motor (11), Other Public Liability (8), Employer's Liability (0). Closed claims will largely not be the same incidents as the newly notified claims referred to above. The claims handling process can run over a period of months or years, and therefore the team are working on a combination of new and existing cases.

The claims cost mitigation figures displayed in the table below are calculated by subtracting the final settled amounts for closed claims against the highest reserve amounts for the same losses during the handling of the claims. These statistics are a useful measure of the level of challenge put forward by the Insurance Team during their investigations, liaison with Council Services, and joint work with solicitors to defend against legal proceedings.

Claims Cost Mitigation Table for 2019/20 Q3

Month	Claims Closed	Cost Mitigation
Oct	31	£112,341.14
Nov	23	£101,019.92
Dec	19	£39,300.72
Total	73	£252,661.78

The table shows that the Insurance Team achieved a total cost mitigation of £252,661.78 on settled claims costs during Q3. However it should be noted that December claims data from previous insurers Zurich was unavailable when this report was submitted and therefore the total claims cost mitigation figure is understated. The largest single cost mitigation in the quarter was made due to a strong 'section 58' defence against a Highways trip incident. Investigations by the Insurance team provided evidence that adequate road maintenance procedures had been followed prior to this particular incident.

6.2 Cyber Insurance Cover

The Insurance team has successfully procured Cyber Insurance cover to provide cover for the costs, legal liability or response services required in the unlikely event of a future data breach or cyber-attack.

Cyber insurance cover increases the Authority's financial security, in addition to the already extensive information governance and digital security measures in place to protect data records.

6.3 Support Provided to 'Friends of' Groups to Insure Events

The Insurance team contributed to a Council presentation to Rochdale 'Friends of' groups on 17th December 2020 with the intention to provide guidance and support on placement of insurance cover for their events.

Our insurers are unable to provide liability insurance cover to community groups outside of Council control due to our lack of insurable interest in the organisation of the events. Therefore the groups have been informed they must place their own Public Liability cover for any future events. Confirmation that insurance cover exists will be a requirement of any application to the RBC Events team to use Council land or premises in the future. Guidance was provided to those at the meeting on the possible risks associated with their activities, and the types of insurance necessary to provide cover.

It should be noted that the RBC Insurance team are not authorised to provide insurance advice to third parties and it was strongly recommended to the groups involved that they obtain advice from qualified insurance brokers.

7 Priorities for the Next Quarter

- Reissue of Rochdale Risk Management Policy
- Place insurance cover for the Rochdale Retail development effective from handover from contractors in April.
- Establish format of Insurance Cost by Service reports to Leadership Team.

Costs and Budget Summary

8. Not applicable.

Risk and Policy Implications

9. If Risk Management recommendations are not implemented, the Council will be exposed to the risks set out in the relevant Risk Management reports. These risks will be mitigated by completion of the actions agreed with management and summarised within this report.

Consultation

10. The risk controls or development action points arising from this report are agreed in consultation with senior management and officers within each Service area.

Background Papers	Place of Inspection
None applicable	
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