



Date of Meeting	23 September 2020
Portfolio	Cabinet Member for Resources
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Public/Private Document	Public

Risk Management Progress Report - Q1 2020/211

Executive Summary

1. This report provides a summary of Risk Management and Insurance work during Quarter 1 of the 2020/21 year.

Reviews of the Corporate risk registers managed by both the Council and the Heywood Middleton and Rochdale Clinical Commissioning Group (CCG) have been carried out to reflect the changing environment while responding to the Covid-19 pandemic. Updates are provided on the impacts to Council risks and the additional governance structures utilised during the crisis.

The Insurance team have adapted to new working conditions and continue to deliver an effective service. A claims cost mitigation figure of £693,501.97 was achieved for the claims closed in the quarter.

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 2020/21 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.

Corporate risk scoring updates – a summary of risk scoring reviews is provided below.

- **CRR0001 - Failure to maintain or gaps within corporate governance lead to risk of litigation, fraud/ malpractice, poor decision making or judicial review, causing serious service and financial failure.**
 - ✔ Risk score unchanged – Corporate governance procedures have continued during pandemic and under remote working environment.
- **CRR0002 - A catastrophic event and lack of organisational resilience leads to inability to deliver our services, to then support and protect the wider community and to rebuild the infrastructure.**
 - Risk score unchanged.
- **CRR0004 - Ineffective financial management leading to failure of the Council to maintain financial resilience.**
 - Risk score increased from 6 (Green) to 12 (Amber). The Council is reviewing reserves following recent Covid-19 expenditure and continues to work collaboratively with GM. The risk score will be reviewed again once Government plans are known.
- **CRR0005 - Failure of, or lack of compliance with, health and safety systems leads to harm to an individual and a corporate manslaughter/ homicide conviction.**
 - ✔ Risk score unchanged. Training available via online courses. Also an option to receive printed format for staff without electronic access.
- **CRR0006 - Risk that Council and Devolution Manchester priorities are not fully aligned.**
 - ✔ Risk score unchanged.
- **CRR0007 - Risk of a breakdown in community stability.**
 - ✔ Risk score unchanged. Despite the potential for unrest caused by the Covid-19 lockdown situation and Black Lives Matter protests, dialogue with Rochdale communities has avoided significant impact.
- **CRR0008 - Risk of serious harm to or death of a child due to the act or omission by Council employees.**
 - Risk score unchanged. Existing controls continue and are all relevant; auditing systems have remained in place during the pandemic and additional thematic audits, as required, have taken place during this period. There has been a high level of communication by the Director and Senior Managers with all staff and managers during the pandemic, a system of sensitive issues briefings is in operation and children's cases have been subject to additional risk assessments during this Covid-19 period.

- **CRR0009 - Risk of serious harm to or death of a vulnerable adult due to the act or omission by Council employees.**
 - Risk score unchanged. Safeguarding activity has remained at near normal levels during the pandemic, and safeguarding training and service development continues. The case file audit programme has continued unabated through the lockdown restrictions. Covid-19 temporarily ceased contract monitoring activity, but this has now been reinstated and is reported on via quarterly quality reports. Quality assurance visits have restarted. The Service continues full participation in the regional support process via GM & the North West Association of Directors of Adult Social Services (ADASS) is in place with a focus on the effects of Covid-19.
- **CRR0010 - Failure to take opportunities for growth leading to a lack of investment in the Borough and lower levels of regeneration and prosperity**
 - Risk score unchanged. The lockdown situation has caused an obvious downturn in the retail, hospitality and leisure sectors. However factors such as Government stimulus and grants packages are creating opportunities for investment.

5. Service Risk Management

5.1 Coordination of the Rochdale Multi-Agency Covid-19 Response

The Council has played an active role in the coordination of Rochdale's multi-agency response to the Covid-19 pandemic. Key officers from the NHS, the local authority, GMP, and partners across the borough have collaborated in the operation of GOLD command, SILVER command and several expert sub-groups tackling themed areas of the local response. The structure has now developed into the Health Protection Board (HPB) and the Recovery and Resilience Coordination Group (RRCG) reporting into GOLD command.

A programme support team was also established to maintain a RAID (risks, actions, issues and decisions) logs, analyse public health data and intelligence, and manage project reports. The Risk Manager provided advice to the support team on methods to identify and prioritise risks to ensure clear visibility and effective recording of progress was possible.

This governance structure has delivered a process leading to key decisions such as the deployment of Council staff to distribute emergency supplies to shielding residents and guidance provided to local schools prior to the mass reopening in September.

5.2 Integrated Health and Social Care Risk Management

The project management team (PMO) of the Heywood Middleton and Rochdale Clinical Commissioning Group (CCG) provided a Corporate Risk Register and Assurance Framework Update report on 12th August 2020.

Following a comprehensive review of the CCG Corporate Risk Register three risks were reported to have residual scores of 16 or more.

Red Risks under the CCG Assurance Framework –

Service	Risk Title	Residual Score
Finance S01-002	Risk: Future years financial modelling and controls. Controls: Robust monitoring of 20/21 expenditure. No new investments, review of all contracts to ensure value for money and exit clauses. Work closely with providers. LCO to fully understand activity, costs and future activity plans.	16
Prevention & Self Care S02-003	Risk: Covid-19 outbreak. Controls: All national guidance and policies have been implemented and local policies and guidance has been put in place to mitigate the impact of the virus locally. Gold and Silver structure in place with wide range of multi-agency planning groups and processes. Revised Outbreak Plan being drafted.	16
Prevention & Self Care S02-004	Risk: Risk that outbreaks within the community are not managed early and well. Controls: Test, track and trace work undertaken at GM and local level to manage tracing and consequence management as needed. Infection Control Duty Desk has been agreed as has the Locality SPOC (Single Point of Contact) for contact tracing. Rochdale COVID 19 Outbreak Plan to be drafted.	16
Hospital – Planned S04-008	Risk: Cancer impact of COVID-19 on waiting times and treatment. Controls: Provider has sought to prioritise cases for treatment. GM Cancer Alliance have supported the development of the GM cancer service with hubs for different services. Rochdale.	16

During the Covid-19 pandemic in the first part of 2020/21 the NHS was instructed to meet the financial demands required for the virus response, leading to the risk that the CCG could be facing a significant deficit in future years. The financial risk S01-002 (see table above) has been rated Red due to this uncertainty prior to receiving updated guidance on funding. The CCG Chief Finance Officer attends regular GM expenditure control meetings during this period.

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 April 2020 to June 2020 is set out below.

The team received a total of 79 new claims notifications during quarter 1. This total can be divided between insurance classes – Highways (30), Motor (23), Other Public Liability (20), Employer's Liability (2), Others (5). This figure is an increase in comparison to the 81 claims received during Q1 2019/20.

A total of 68 claims were closed by the team during quarter 1. This figure can be divided between the insurance classes - Highways (45), Motor (6), Other Public Liability (14), Employer's Liability (2), Fidelity Guarantee (1). 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.

6.2 Claims Cost Mitigation Table for 2020/21 Q1

Month	Claims Closed	Cost Mitigation
April	22	£155,057.50
May	26	£256,135.52
June	20	£282,308.95
Total	68	£693,501.97

The table shows that the Insurance Team achieved a total cost mitigation of £693,501.97 on settled claims costs during Q1. Examples of cost mitigations in the quarter included the repudiation of a claim for alleged substandard adaptation to a property, which investigations revealed had not been constructed by the Council, and our mitigation of the risks associated with a Public Liability claim allowed us to negotiate the settlement down by £100,000.

6.3 Insurance Team Response to the Covid-19 Pandemic

During quarter 2 the Insurance team has adapted with ease to home working and continued to provide business as usual, plus have handled additional Covid-19 related issues such as the examples provided below -

- Advice to schools and the processing of claims submitted for school trips cancelled during lockdown;
- Liaison with insurers to notify them of the occupancy status of all council buildings;
- Assistance with queries regarding access by insurer engineers for the completion of statutory inspections to lifts, boilers;
- Placement of insurance cover for the setting up of temporary emergency facilities and test centres; and the redeployment of Council staff into Covid-19 support roles.

7 **Priorities for the Next Quarter**

- Reissue of Rochdale Risk Management Policy
- Ongoing risk management support for the Covid-19 programme team
- Recruitment of temporary secondment to support risk management service provision.

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
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