

Report to Audit and Governance Committee



Date of Meeting	27 September 2021
Portfolio	Cabinet Member for Finance and Corporate
Report Author	Martin Nixon
Public/Private Document	Public

Risk Management Progress Report - Q1 2021/22

Executive Summary

1. This report provides a summary of Risk Management and Insurance work during Quarter 1 of the 2021/22 year.

Reviews of the Corporate risk registers managed by both the Council and the Heywood Middleton and Rochdale Clinical Commissioning Group (CCG) have been completed. There are no Red risks to report within either the RBC Corporate risk register or the risk registers of individual RBC Services.

The Insurance team achieved a claims cost mitigation result of £352,959.78 for the claims closed in the quarter. Renewals of Rochdale Council's programme of insurance policies were agreed effective from 1st June 2021.

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 2021/22 year for all Council Services.

Key Points for Consideration

4. Corporate Risk Register

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

Following reviews completed in August, risk owners have maintained unchanged risk scores for all Corporate risks. Risk scores under CRR0004 (Risk of failure of the Council to maintain financial resilience) and CRR0008 (Safeguarding risk to children due to act or omission by the Council) had increased during 2020 to reflect the impact of the Covid pandemic. Scores for both returned to pre-pandemic levels due to the setting of a balanced budget for 2021/22 and reassurance that the level of financial reserves/balances are appropriate, and the easing of UK lockdown restrictions allowing social care working practices to return to some normality.

5. Service Risk Management

5.1 Children's Services Risk Update

The Children's Services directorate manage a range of high impact operational and financial risks due to the nature of the social care / educational services provided.

Highest scoring Children's Service risks -

Risk Ref	Risk Description	Residual Score
CSDR006	Failure to manage within budget impacts the financial position of the Service and its ability to provide services	12
CSCR001	Retain a workforce able to successfully deliver a quality Children's Social Care service.	12
CSCR002	Demand for a Children's Social Care Service continues to increase, leading to failure to manage within budget	12
CSCR003	Performance/ practice is not of consistent quality which compromises the safety and outcomes for children damaging the reputation of Rochdale Council.	15
EHSR004	Insufficient school places.	12

Updates on the highest scoring Children's Services risks are set out under Appendix 2, including specifics regarding the level of risk, progress on mitigation actions and comment on future prospects for the risk level to reduce.

5.2 Adult Care Risk Update

The Adult Care directorate continue to operate in an environment of increasing demand for social care services and the rising cost of placement packages.

Highest scoring Adult Care risks -

Risk Ref	Risk Description	Residual Score
ASR0004	Provider failure in terms of capacity, quality and business continuity.	12
ASR0010	Failure to manage within budget impacts the financial position of the authority and ability to provide services.	12

Updates on the above risks are set out under Appendix 3, including specifics regarding factors causing the high level of risk, progress on mitigation actions and comment on future prospects for the risk level to reduce.

5.3 Integrated Health and Social Care Risk Management

The Corporate Risk and Assurance Framework report of 31 August 2021 submitted to Leadership Team by the Heywood Middleton and Rochdale Clinical Commissioning Group (CCG) included commentary on 4 risks having residual scores of 16 or more.

Red Risks under the CCG Assurance Framework –

Strategic Objective	Risk Details	Residual Score
Prevention & Access S02-004	Risk: Covid-19 outbreak. Controls: Revised Outbreak Plan developed and the Public Health Directorate plan for 2021/22 focuses on longer-term impact.	16
Prevention & Access S02-007	Risk: Changes in Covid-19 prevention measures leading to community outbreak. Controls: Developing an approach for the borough to maintain safety and business continuity as restrictions are lifted.	16
In Hospital - Planned S04-010	Risk: System impact of increased waiting times for treatments as a result of delays caused by the Covid-19 pandemic. Controls: Initiatives underway through the LCO Planned Care Programme, the GM Elective Reform Recovery and Restoration Operations Group, and the NES Waiting List Recovery and Restorations Group.	16
In Hospital – Urgent Care S06-007	Risk: Escalating waiting times for autism assessment (children aged over 5 years). Controls: Pennine Care to challenge infection control requirements which impact upon provider ability to undertake autism assessments.	16

The summaries provided in the table above confirm that the highest Residual risk scores as at August were associated with the direct health impacts of the Covid-19 pandemic, or the indirect impacts to other non-Covid areas of health care. There are extensive planning and recovery activities underway in the CCG and LCO to mitigate these risks. The Council's Public Health directorate have a shared responsibility for the 'Prevention & Access' strategic objective, including influence over Covid-19 Outbreak plans and the implementation of local prevention measures, as part of the integrated service provision.

6. Risk Management Results

There are currently no Red risks to report within either the Corporate risk register or the risk registers of individual RBC Services.

7. Insurance Team

7.1 Performance

A summary of the work completed by the Insurance Team from April 2021 to June 2021 is set out below.

The team received a total of 97 new claims notifications during quarter 3. This total can be divided between insurance classes – Highways (44), Motor (22), Other Public Liability (24), Employer's Liability (5), Others (2). This figure is an increase in comparison to the 79 claims received during Q1 2020/21.

A total of 65 claims were closed by the team during quarter 1. This figure can be divided between the insurance classes - Highways (34), Motor (12), Other Public Liability (15), Employer's Liability (4). Please note 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.

7.2 Claims Cost Mitigation Table for 2021/22 Q1

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.

Month	Claims Closed	Cost Mitigation
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April	31	£161,286.53
May	23	£146,387.25
June	11	£45,286.00
Total	65	£352,959.78

The table shows that the Insurance Team achieved a total cost mitigation of £352,959.78 on settled claims costs during Q1. This figure includes a saving of just under £30,000 on a Highway claim whereby the claimant was allegedly injured due to a defective paving slab. Hospital records were obtained and scrutinised due to concerns that the incident had not caused the alleged injuries. The records revealed that the injury took place on a date different to allegations in the letter of claim, and also showed the claimant to be intoxicated. The claim was denied.

June 2021 Insurance Renewals

7.3

The Insurance team completed renewal negotiations for Rochdale Council's programme of insurance policies effective from 1st June 2021. At the outset of the process the Senior Risk and Insurance Officer collated Council asset values, information regarding services provided and relevant risk management details to be notified to our insurers.

Renewal was agreed at increased premium rates caused by rising numbers of catastrophe losses across the UK public sector, and not caused by any deterioration in Rochdale's own claims experience. Mild Winter weather conditions in 2019 and 2020 have contributed to a stable claims trend in recent years.

Priorities for the Next Quarter

8.

- Risk Management Group meetings to be arranged with Risk Champions across the Council to coordinate full reviews of Service risk registers.
- Launch of updated risk review process under the Pentana Risk software to allow improved utilisation of the system's reporting features.
- Actuarial review of insurance funds to be completed by appointed insurance broker in advance of 2022/23 budget setting.

Costs and Budget Summary

9. Not applicable.

Risk and Policy Implications

10. 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

11. 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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For Further Information Contact:	Martin Nixon, Tel: 01706925415, martin.nixon@rochdale.gov.uk
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