Report to:	**AUDIT COMMITTEE**
Relevant Officer:	Steve Thompson, Director of Resources
	John Blackledge, Director of Community and Environmental Services
Meeting	20 October 2022

STRATEGIC RISK REGISTER DEEP DIVE – LEGAL

1.0   Purpose of the report:

1.1   To consider a progress report on individual risks identified in the Council's Strategic Risk Register.

2.0   Recommendation(s):

2.1   To consider the controls being implemented to manage the strategic risk relating to Legal.

3.0   Reasons for recommendation(s):

3.1   To enable the CLT and Audit Committee to consider an update and progress report in relation to an individual risk identified on the Strategic Risk Register.

3.2   Is the recommendation contrary to a plan or strategy adopted or approved by the Council?   No

3.3   Is the recommendation in accordance with the Council's approved budget?   Yes

4.0   Other alternative options to be considered:

4.1   None.

5.0   Council priority:

5.1   The risk impacts on all the Council's priorities.

6.0   Background information

6.1   At its meeting in March 2022, the Audit Committee agreed to continue to invite Strategic Risk Owners to attend future meetings to provide updates and progress reports in relation to the individual risks identified on the Strategic Risk Register.

6.2   Does the information submitted include any exempt information?   No

7.0   **List of Appendices:**

7.1   Appendix 5(a) - Strategic Risk Register Deep Dive – Legal

8.0   **Financial considerations:**

8.1   The controls being implemented will be done so within current budget constraints.

9.0   **Legal considerations:**

9.1   Risks need to be effectively managed in order to comply with relevant legislation.

10.0   **Risk management considerations:**

10.1   To enable CLT and Audit Committee to gain assurance that strategic risks are being effectively managed.

11.0   **Equalities considerations:**

11.1   Equality analysis should have been undertaken, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions no further equality analysis has been undertaken as part of this report.

12.0   **Sustainability, climate change and environmental considerations:**

12.1   Sustainability, climate change and environmental matters should have been considered, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions no further analysis has been undertaken as part of this report.

13.0   **Internal/external consultation undertaken:**

13.1   The progress report has been prepared in conjunction with risk owners.

14.0   **Background papers:**

14.1   None.

Risk Category: Legal

Risk: a) Hardening insurance market.

Risk Owner: Director of Resources

Gross Risk Score	20	Impact - 4	Likelihood – 5

What impact does this have?
- Increased costs due to not being able to transfer some risks to an insurer resulting in self-funding claims.
- Increased premium costs due to ineffective risk management.

What opportunities does this create?
- Embedded risk management culture.

What controls do we already have in place?
- Risk management framework in place which is delivered and embedded through the directorate and thematic risk management groups.
- Service, strategic and project risk registers in place.
- SharePoint sites for risk management to assist with the sharing of information.
- Risk management considered as part of decision making process.
- Insurance programme in place consisting of policies and self-insurance with regular reviews of claims levels and also lessons learned through the risk management groups and self-insurance panel.

Net Risk Score	16	Impact - 4	Likelihood – 4

What are we doing to further manage the risk?

Implement a new claims handling system to increase efficiency and improve management information in relation to claims to assist with lessons learned.

The Risk and Resilience Team have had a number of demonstrations on potential claims handling systems from market leaders. The next stage is to undertake a procurement exercise and discussions are taking place with colleagues in legal, procurement and IT to develop the specification. It is intended that a new claims handling system will be place ready for the new financial year.

Prepare and undertake a procurement exercise for the Council's insurance portfolio to ensure value for money and continued coverage.

Due to the complexity of the Council's insurance portfolio coupled with the volatile insurance market a business case was approved to create an additional Risk and Resilience Officer in the team. This additional capacity will help the team focus on more proactive risk management work to seek to reduce risk across the Council and also to seek innovative insurance solutions for risks which are proving difficult to insure.

An exercise will be undertaken in April 2023 to appoint an insurance broker to take the Council to market and then there will be a 10-11 month lead in period to prepare for market, run the procurement exercise, and appoint appropriate insurers from April 2024.

What will these additional actions achieve?

The implementation of the identified actions will help ensure that the Council is in the best position possible to continue to procure a fit for purpose insurance programme. Where insurance is not a cost effective option, having a good understanding of claims experience helps inform decisions around potential self-insurance.

What barriers do we face?

A hard insurance market makes it difficult for the Council to accurately predict premium costs or identify risks which are no longer deemed insurable.

Do these actions contribute to the sustainability of the Council?

The Council uses insurance to transfer some of the significant financial risks it faces should a catastrophic incident occur.

Do these actions impact on the Council's finances?

Insurance comes at a cost through both premiums paid and self-insurance funds set aside in the self-insurance reserves. The financial impact of claims is considered on a quarterly basis by the Self-Insurance Panel, and the financial impact of premiums is discussed with the Head of Accountancy to ensure that adequate provisions are included in budgets.

How does this contribute to the Council Plan?

Insurance is a means by which the Council can transfer financial risk, and therefore supports each of the Council's priorities.

Any additional changes to this strategic risk?

There are continued challenges with property insurance, and where it is not possible to place cover with the Council's main property insurer, bespoke solutions are being identified as required.

The Senior Risk and Resilience Officer, who has worked at the Council for 19 years, is leaving in November. With this there will be a loss of knowledge in terms of the insurance programme which will need to be bridged through a recruitment process.

Risk: b) Inadequate safety management of the public realm/communities.

Risk Owner: Director of Community and Environmental Services

Gross Risk Score	20	Impact - 5	Likelihood – 4

What impact does this have?

• Death / injury to a member of the public resulting in civil or criminal proceedings.

What opportunities does this create?
• Safe environment and residents and visitors to enjoy.

What controls do we already have in place?
• A Tree Management Strategy is in place, which is supported by an incident log, to record unexpected tree failure so lessons can be learned.   • Documented site inspection regimes for playgrounds and sporting areas facilitated by an online system for maintenance and detailed specifications set by the Council for Enveco to deliver against.   • Robust highways inspection programme in place to reduce the risks associated with highways liability claims. Lessons learned are discussed at the Highways Risk Management Group.   • Daily checks of life saving equipment on the promenade undertaken by the Beach Patrol Service.   • Council fleet drivers assessed for driving competency to ensure safety when on the public highway. Accidents are reviewed by the Driving at Work Risk Management Group to spot trends and look at remedial actions which may need to be taken.   • Secure external funding bids for community safety projects.   • Multi agency response to close/restrict, enforce and curtail problematic HMO's.   • Community involvement providing ownership of parks and green spaces.   • Joint working arrangements in place between the Council and the Police.

Net Risk Score	15	Impact - 5	Likelihood – 3

What are we doing to further manage the risk?
Complete the Tree Management Plan with associated risk ratings in order to provide Enveco with an informed work programme to target their resources to ensure that trees remain safe.   The Tree Management Plan is now complete and has been shared with Enveco. A programme of work is now in place to ensure delivery of the plan.   **Continued roll out of Project Amber, which will provide significant investment in the highways, which will reduce potential highways liability claims.**   Steps continue to be taken to improve the highways with a focus being on those roads which have been rated as an amber risk.   **Deliver the town centre CCTV project including implementing a new CCTV system and control room, and considering other areas which would benefit from increased / effective CCTV.**   The CCTV project is being delivered with the upgrade of equipment taking place and the provision of a control centre commissioned. The second phase of the project, which is yet to commence, is to review potential areas across the wider town which would benefit from CCTV, and seek to find ways to implement this.

Implement the new Area Intervention Team to target hot spot areas for anti-social behaviour.

The Area Intervention Team is now operational and has four officers in post. Currently these officers are deployed to the Claremont ward into the areas with most risk. This has increased the number of statutory notices being issued, prosecutions, and the use of anti-social behaviour tools being used. In addition, work is ongoing with the community to revitalise some of the back alleys in the ward to make these more user friendly for community use and reduce the risk of them being hotspots for anti-social behaviour.

It is intended that the team will be next deployed to the Bloomfield ward, into hot spot areas for anti-social behaviour, where they will carry out a similar exercise to that carried out in the Claremont ward.

Build an effective relationship with the new Police and Crime Commissioner to continue to secure support for community safety initiatives in the town.

Meetings have been held with the new Police and Crime Commissioner, and funding has been secured for the current financial year. Going forward there will be a rolling 12 month review of funding.

The new Police and Crime Commissioner and Chief Constable have attended a Talbot PACT meeting with the Head of Public Protection to gain awareness of some of the challenges faced in the inner wards of Blackpool.

What will these additional actions achieve?

To reduce crime and disorder and increase public safety.

What barriers do we face?

Finance presents the biggest challenge in terms of continuing to secure funding for community safety initiatives and also any additional funds which may be needed to extend the CCTV scheme.

Do these actions contribute to the sustainability of the Council?

Helping ensure the safety of the public helps reduce the impact on other public bodies, such as the Police, and protects the Council against civil claims being made. Also, effective interventions help minimise demand on Council resources by controlling issues before they escalate.

Do these actions impact on the Council's finances?

Core budget is in place, however there is also reliance on external funding for the provision of community safety schemes. Additional interventions, such as increasing CCTV across the town, may need additional funding which will need to be identified.

How does this contribute to the Council Plan?

These actions contribute to the community priority.

Any additional changes to this strategic risk?

It is recognised that Blackpool does have challenges, particularly in some of the most deprived wards, and therefore there needs to be an ongoing focus on improving public safety in these higher risk areas.

Risk: c) Unsafe workplace.

Risk Owner: Director of Resources

Gross Risk Score	20	Impact - 5	Likelihood – 4

What impact does this have?
- Death / injury to a member of staff resulting in civil or criminal proceedings.

What opportunities does this create?
- Safe environment for employees to work.

What controls do we already have in place?
- Full suite of corporate health and safety arrangements and guidance notes available. This is supported by a full suite of health and safety training which staff can access.
- Production of an Annual Health and Safety Report with recommendations outlining actions which CLT need to undertake to further embed health and safety. This includes details of the health and safety compliance audits completed in the year.
- Significant work undertaken to ensure that the Council is a Covid Secure workplace to enable staff to undertake their roles safely during the pandemic.
- Team of qualified health and safety advisors in post to provide advice to managers.
- Risk management and health and safety meetings in place for all directorates, plus thematic groups for high risk areas.

Net Risk Score	15	Impact - 5	Likelihood – 3

What are we doing to further manage the risk?

Transfer the accident reporting process onto the new HR system and ensure all users and managers are able to effectively use the electronic reporting system.

The new accident reporting module has been built as part of the new HR system and is currently being tested. Once it goes live it will enable managers to input accident reports direct to the system and automatically notify the health and safety team. This will be more efficient than the current system where manual forms are used.

Review and update the corporate warning register to ensure that this is user friendly and meets the needs of front line employees.

A cross-service working group has been reviewing the Corporate Warning Register and an outline design on how the new system will work is in place. This is currently with IT to cost the development of the system and provide a prototype of how the system will work. Once ready the system will be piloted across key services before being rolled out Council wide. In the interim the current Corporate Warning Register is still in use.

Modernise the way in which the corporate health and safety arrangements are communicated and stored on the new intranet site.

The review of health and safety arrangements is around 90% complete now with the remaining arrangements due to be reviewed by the end of the financial year. Steps are being taken to transfer all health and safety information onto a new SharePoint site which will be accessible via the new intranet site. The transfer of the information to SharePoint will create opportunities to further modernise the way in which health and safety data is communicated to all staff.

What will these additional actions achieve?

These actions will help modernise the way in which health and safety information is recorded, communicated and accessed to ensure that this is as user friendly as possible.

What barriers do we face?

Vacancies in the Corporate Health and Safety team are slowing progress in taking forward these actions due to workload. However, recruitment exercises are underway, and once appropriate candidates are appointed this will help reduce the pressure in the team (who are currently focused on reactive work) to take forward the proactive work.

Do these actions contribute to the sustainability of the Council?

Employees are the Council's most important resource and therefore creating an environment which is safe for them to carry out their roles is essential.

Considerable work is also been undertaken on Building Resilience, focused initially at Bickerstaffe House, to ensure that robust and tested systems and procedures are in place for a range of incidents. A Task and Finish Group is in place with representation from health and safety, property services, IT and emergency planning.

Do these actions impact on the Council's finances?

Inadequate health and safety for our employees could result in a liability claim being received or enforcement action taken, both of which could result in a financial impact on the Council and / or prosecution.

Data shows that the number of reported accidents / incidents is reducing year on year since a peak in 2016/17 which helps demonstrate that arrangements are embedding across the Council. Accident data is monitored to identify trends and help ensure that an adequate focus in placed in these areas to reduce risk. In the previous financial year verbal and physical assault were the most common types of incidents reported.

How does this contribute to the Council Plan?

The health and safety of our employees is key to organisational resilience.

Any additional changes to this strategic risk?

The Corporate Health and Safety Team keep abreast of any changes to legislation from the Health and Safety Executive.

In high risk areas, such as highways and track maintenance, additional resource is being put into the Corporate Health and Safety Team to ensure that such services can access an advisor dedicated to their service.