RISK MANAGEMENT ANNUAL REPORT 2020/2021

Responsible Officer
e-mail: Angela.beechey@shropshire.gov.uk   Tel: 01743 252073

1.   Synopsis
1.1   This report provides an overview of the activity of Risk, Insurance & Resilience Team during 2020/2021 and a synopsis of the current risk exposure of the authority in relation to Strategic, Operational and Project risks. It also identifies some key activity for 2021/2022**.**

2.   Executive Summary
2.1   This report sets out the challenges and achievements accomplished by the Risk, Insurance & Resilience Team during 2020/2021. The team includes business continuity management and emergency planning and as a result we have experienced an unprecedented workload due to significant weather events and the recovery to and response from Covid-19.

2.2   The team continues to strive to ensure that Shropshire Council embeds Opportunity Risk Management practices throughout all service areas.

3.   Recommendations
3.1   Members are asked to accept the position as set out in the report.

REPORT

4.   Risk Assessment and Opportunities Appraisal
4.1   The management of risk is a key process which underpins the successful achievement of our priorities and outcomes. It forms part of the Annual Governance Statement and the Risk, Insurance & Resilience Team ensures that processes and protocols are established and embedded which support effective decision making.

4.2   Insurance is an effective method of risk transfer and a balance of self-insurance and third-party insurance is used based on our risk appetite.

5.   Financial Implications
5.1   Failure to effectively and strategically manage the risks associated with developing a sustainable budget will potentially leave the Council exposed to external challenge and financial ramifications.

6.   Climate Change Appraisal

6.1.   The information contained within this report does not impact negatively on our climate change agenda.

6.2   Climate Change is one of the Council's strategic risks. It is subject to regular review alongside all other strategic risks with clearly identified controls and additional controls for mitigation.

7.   Background

7.1.   The Audit Team undertook a risk management audit for 2020-2021 and we are pleased to confirm that the final report again identified the assurance level as "**Good**".

7.2.   The Opportunity Risk Management Strategy, which supports our rapidly changing environment, is reviewed on an annual basis and endorsed by the Chief Executive. The council needs to ensure that it is taking advantage of every opportunity possible and the strategy is therefore outcome based and focuses on the achievement of our key priorities, objectives and benefits realisation.

8.   Additional Information – Risk Management

8.1.   Strategic Risk Management

8.1.1 Throughout 2020/2021 our strategic risks were reviewed on a quarterly basis ensuring that the level of risk exposure was monitored closely in our rapidly challenging and changing environment. The outcome of each review is reported to Executive Directors and Informal Cabinet.

8.1.2 The Risk Profile & Action Plans for managing our strategic risks are embedded in the Risk Management SharePoint system. This allows the risks to be updated as frequently as required. The risk profile and action plans detail the direction of travel for each strategic risk over the year, a target risk score for the year end and clearly articulate the current controls in place and the additional controls required to mitigate and manage our strategic risk exposure effectively. Any slippage on outstanding actions is also identified and challenged

8.1.3 During the year a detailed review is undertaken with Executive Directors to ensure that our current strategic risks are still relevant, defined appropriately and accurately assessed and scored. Due to the Covid-19 response, this detailed review has been postponed to October this year.

8.1.4 Reviews of the additional controls are undertaken by all additional control owners to ensure that these are appropriate to mitigate the associated strategic risk. This includes clearly defining the required additional controls and ensuring realistic timescales are applied for delivery of these.

8.1.5 Strategic risks are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes. This demonstrates that we are managing these Outcomes at a strategic level.

8.1.6 During 2021/2022 it is our intention to link all strategic risks to the new organisational principles.

8.1.7 The diagram in **Appendix A** demonstrates our overall strategic risk exposure as at June 2021 (the next review takes place during September 2021).

8.1.8 As at the June 2021 review, there were 16 strategic risks on the strategic risk register, and these are each managed by specific Executive Directors. These are detailed in **Appendix B**.

8.1.9 Audit Committee can at any time elect to have a more detailed examination of any of the strategic risks and can invite the risk owner to a committee meeting to discuss their risk.

8.2   Operational Risk Management
8.2.1 Operational risks are reviewed on a bi-annual basis. These risks are also embedded into a specific Risk Management SharePoint site which enables risks to be more pro-actively managed in a 'live' environment enabling PowerBI reports to be run with current data.

8.2.2 Following the bi-annual review of operational risk exposure (May and November), reports on current status are provided to all Heads of Service / Assistant Directors and the Executive Directors. This includes details of any key changes in risk exposure and any areas of concern.

8.2.3 Emerging operational risks, or themes, feed into and are considered as part of the strategic risk review. Strategic risks have been added to the strategic risk register as a result of risks raised through operational risk reviews (e.g. Mental Health & Wellbeing of Staff).

8.2.4 Currently there are 128 operational risk registers in place across the authority containing 1,299 risks in total. The diagram in **Appendix C.** demonstrates our current overall operational risk exposure.

8.2.5 On an annual basis we contribute to the Horizon Scan Report (Business Continuity Institute) and share key outputs from both this report and from the Global Risks Report (World Economic Forum) with both operational and strategic risk leads.

8.3   Project Risk Management
8.3.1 We continue to be heavily involved and support key projects that are currently underway, or which are due to be commenced.

8.3.2 A risk register is developed at the commencement of projects and held within SharePoint. Risks are allocated to appropriate project board

members for management and review. The direction of travel for projects is monitored to ensure that risks are well managed.

8.3.3 PowerBI reports are available on current risk exposure across any project. Current project risk exposure is demonstrated in **Appendix D**.

8.4 <u>Opportunity Risk Management Strategy</u>

8.4.1 The Opportunity Risk Management Strategy is reviewed and updated on an annual basis. The strategy was last reviewed and signed off by the Chief Executive on 19th January 2021.

8.4.2 The team continue to be involved in the activities of Alarm, both nationally and regionally, which puts the authority at the forefront of Risk, Insurance & Resilience for developing best practice. Jane Cooper is current Chair of the Midlands Alarm Steering Committee and sits on the Alarm Advisory Group.

8.5 **Additional Information - Business Continuity Management**

8.5.1 With the many challenges faced and continuing during the year, Business Continuity Management arrangements are constantly reviewed to ensure that we have relevant skilled personnel to respond and that these people are trained appropriately.

8.5.2 Our enhanced business continuity management arrangements now include tactical plans for HR, Finance, Adult Social Care and Children's Services (the latter two as a result of Covid-19). These plans provide a corporate approach across these areas to manage significant business interruption events. All of these plans will be subject to review following the recovery from Covid-19.

8.5.3 To respond to Covid-19 a Business Continuity group, chaired by Angela Beechey, was set up comprising senior managers and assistant directors to lead the response to the challenges faced.

8.5.4 A Shropshire Council Covid-19 Response & Recovery Plan has been developed by the team which identifies operational operating frameworks in the recovery from Covid-19 across all key service areas. This was signed off by the Chief Executive on the 27th April 2021. A council Recovery Co-ordinating Group sits regularly to ensure a robust response to Covid by the council.

8.5.5 To support our business continuity management arrangements, regular testing to ensure the plans are robust is undertaken. However, this year has seen unprecedented major incident critical responses and as a result no exercising has been undertaken or necessary. Exercising will be reinstated during 2022.

8.5.6 Under the Civil Contingencies Act we have a responsibility to raise awareness within the local business community of the need to have robust business continuity management arrangements in place to

preserve their organisations/ businesses. We were due to hold the team's inaugural 'Shropshire Resilience Conference' in May 2020. This was open to all local businesses and included speakers and exhibitors to support resilience and recovery arrangements for local business. Unfortunately, due to Covid-19 this has been postponed to May 2022. We are however offering a free virtual lite resilience conference to businesses in October 2021 and are currently finalising speakers and working closely with the Growth Hub Team.

8.6   Additional Information – Emergency Planning

8.6.1 2020/2021 continued to be a challenging period where emergency response plans, both council and multi-agency, were solidly tested. The Emergency Planning team is a small team not only representing the Council but also assisting the wider Local Resilience Forum (LRF) response.

8.6.2 The main focus remains with the continuing response of Covid-19 impacts and the transition to a new normal. Other key response plans have been adjusted and updated to reflect the new operating measures. As we move into a new way of working, further adjustments are expected to be made to the response plans.

8.6.3 This year we have been unable to schedule exercises within the council or with the wider LRF partnership due to the floods and Covid-19 responses. However, both incidents were and are of such impact that they have exercised our plans well and as a result of the learning, many plans have had major revisions and continue to evolve. These include the Council's Emergency Response Plan, Recovery Plan, the multi-agency Flood Plan and the joint Shropshire and Telford and Wrekin Excess Deaths Plan. A Severe Weather Plan is being drafted as a result of the previous flooding events. Lessons learned from the 2020 floods were taken on board and put into practice in the 2021 floods, resulting in a more coordinated and effective response from the Council.

8.6.4 We continue to support the Flood Risk Management Team, The National Flood Forum and the Environment Agency in the recovery efforts from the 2020/2021 flood events. New Community Flood Action Groups are being launched with local emergency flood plans being developed and new local partnerships being formed to enable us to work better together in a flood event to support affected communities.

8.6.5 We successfully implemented the Forth Bridge Protocol (protocol for the death of HRH Prince Phillip). This has also provided an opportunity for further refinements to the main London Bridge Protocol (death of HRH The Queen).

8.6.6 Beginning September 2021, we will be fully supporting the Council to plan the Queen's Baton Relay for the Commonwealth Games in 2022. This will require multi-agency engagement and involvement on the day.

8.7   Audit Team Collaborative Working

8.7.1 We continue to work closely and collaboratively with Audit Team colleagues, supporting the undertaking of the risk-based audit plan meetings on an annual basis with the Head of Internal Audit. This ensures that the process is cross referenced with our strategic and business plan objectives and risk exposure.

8.8   Risk Management & Business Continuity Training

8.8.1 We continue to provide risk management and business continuity training opportunities for all colleagues (and where requested, schools) as and when required. This year however, this has been provided virtually through online presentations.

8.9   External Work

8.9.1 We continue to work to develop commercial relationships with external colleagues and organisations. As a result of Covid-19, this has been paused however, this will be reinstated in due course.

8.9.2 Following the 'Shropshire Resilience Virtual Conference 2021' and 'Shropshire Resilience Conference 2022', we anticipate there being an additional call upon the services the team can offer, and this will increase income generating opportunities.

8.9.3 We will continue to engage in discussions with organisations in scoping further income generating opportunities.

9.   **Conclusions**

9.1   The Risk, Insurance & Resilience Team has continued to support all services across the authority, especially during this extremely challenging period of significant weather events and in its continued response to, and recovery from the Covid-19 Pandemic.

9.2   Despite the challenges of the last year, the team has continued to embed Opportunity Risk Management and has developed risk management functionality with the SharePoint system and migrated all risks (Strategic, Operational and Project) into it, enabling 'real-time' reporting through PowerBI to take place.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Annual Governance Statement

Risk Management Audit Report

Opportunity Risk Management Strategy

Business Continuity Management Policy

Business Continuity Plan

Covid-19 Resilience & Response Plan

Cabinet Member (Portfolio Holder)
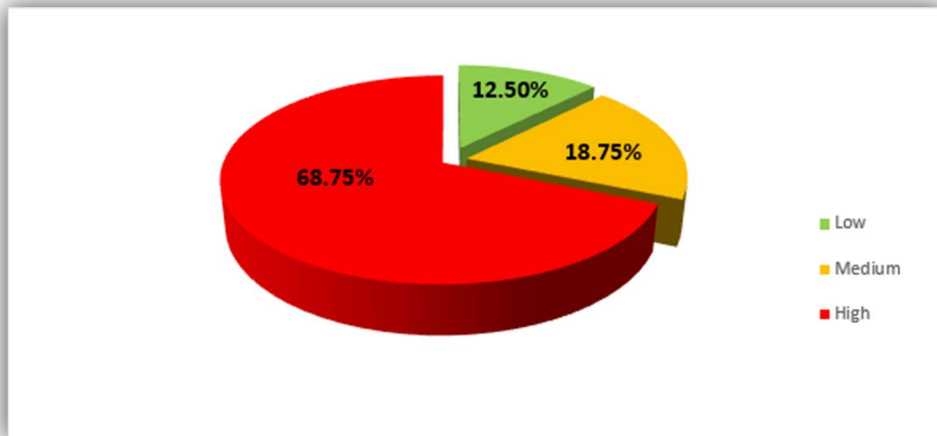Gwilym Butler, Portfolio Holder for Resources

Local Member
N/A

Appendices

Appendix A – Strategic Risk Exposure (June 2021)

Appendix B – Strategic Risk List (June 2021)

Appendix C – Operational Risk Exposure

Appendix D – Project Risk Exposure
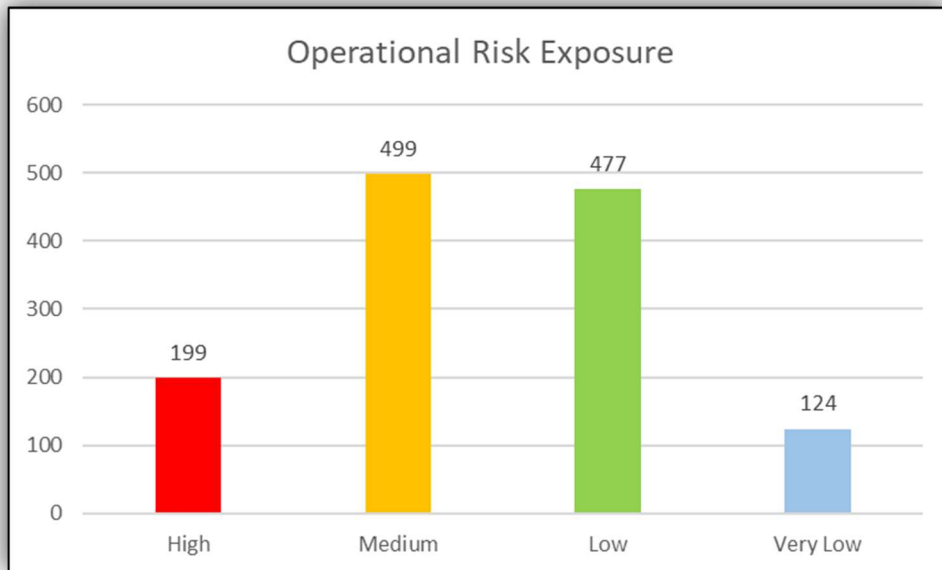
APPENDIX A – STRATEGIC RISK EXPOSURE (JUNE 2021)

APPENDIX B – STRATEGIC RISK LIST (JUNE 2021)

Risk	Risk Owner	L	I	Status
Ability to fund Adult Services	Tanya Miles	5	5	25
Ability to fund Children's Services	Karen Bradshaw	5	5	25
Cyber & ICT Infrastructure Resilience	James Walton	5	5	25
Safeguarding Vulnerable Children	Karen Bradshaw	5	4	20
Commercial Strategy	Mark Barrow	4	4	16
Climate Change	Mark Barrow	4	4	16
Economic Growth Strategy	Mark Barrow	4	4	16
Covid-19	Andy Begley	4	4	16
Brexit	Mark Barrow	4	4	16
Balanced Budget	James Walton	5	3	15
Mental Health & Wellbeing of Staff	James Walton	5	3	15
Governance	James Walton	4	3	12
Reputation	James Walton	2	4	8
Strategic Vision & Strategy	Andy Begley	2	4	8
Safeguarding Vulnerable Adults	Tanya Miles	2	3	6
Deprivation of Liberty (DoL)	Tanya Miles	2	3	6

High Risks
Medium Risks
Low Risks

APPENDIX C – OPERATIONAL RISK EXPOSURE

APPENDIX D – PROJECT RISK EXPOSURE