

## Governance Committee

Tuesday, 19th January, 2021, 6.00 pm  
Accessible via MS Teams and YouTube

### Agenda

Important information for members regarding COVID-19

Members of the council not on the committee are now permitted to register and speak at the meeting.

Due to current government guidance surrounding the COVID-19 pandemic, members are required to dial into the meeting remotely and must not attend the Civic Centre. These restrictions do not apply to the Chair.

[Please email democraticservices@southribble.gov.uk in order to register your intent to speak](mailto:democraticservices@southribble.gov.uk) before 12 noon on Friday 15 January 2021. A meeting link will then be sent to you.

Important information for members of the public regarding COVID-19

Unfortunately, due to the current situation surrounding COVID-19 we are unable to allow members of the public to speak at this meeting. These measures are temporary and will be reviewed as circumstances and the current restrictions change.

However, written representations are being received and can be read out at the meeting with a written response provided.

[If you would like to make representations on any of the items below please email democraticservices@southribble.gov.uk](mailto:democraticservices@southribble.gov.uk) no later than noon on Friday 15 January 2021.

- 1 Apologies for absence**
- 2 Declarations of Interest**

Members are requested to indicate at this stage in the proceedings any items on the agenda in which they intend to declare an interest. Members are reminded that if the interest is a Disclosable Pecuniary Interest (as defined in the Members' Code of Conduct) they must leave the room for the whole of that item. If the interest is not a Disclosable Pecuniary Interest, but is such that a member of the public could reasonably regard it as being so significant that it is likely that it would prejudice their judgment of the public interest (as explained in the Code of Conduct) then they may make representations, but then must leave the meeting for the remainder of the item.

**3 Minutes of the Last Meeting**

(To Follow)

Minutes of the Governance Committee meeting, held on Tuesday, 22 December 2020, to be approved as a correct record.

**4 Update on 2019/20 Statement Of Accounts and Audit**

This item was initially published in error and has been withdrawn from the agenda.

**5 South Ribble Corporate Risk Register 2021**

(Pages 3 - 14)

Report of the Deputy Chief Executive attached.

**6 Insurance Brokerage Procurement**

(Pages 15 - 18)

Report of the Director of Governance and Monitoring Officer attached.

**7 RIPA Update**

(Pages 19 - 22)

Report of the Director of Governance and Monitoring Officer attached.

Gary Hall  
CHIEF EXECUTIVE

Electronic agendas sent to Members of the Governance Committee Councillors Colin Sharples (Vice-Chair), Ian Watkinson (Chair), Christine Melia, Angela Turner, Damian Bretherton, Colin Clark and Margaret Smith

The minutes of this meeting will be available on the internet at [www.southribble.gov.uk](http://www.southribble.gov.uk)

Forthcoming Meetings

6.00 pm Tuesday, 23 March 2021 - Wheel Room, Civic Centre, West Paddock, Leyland PR25 1DH

REPORT TO	ON
Governance Committee	19 January 2021



TITLE	REPORT OF
South Ribble Corporate Risk Register 2021	Deputy Chief Executive

Is this report confidential?	No
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## PURPOSE OF THE REPORT

1. The Strategic Risk Register (SRR) is the vehicle by which the Council aims to identify and address any potential risks to the organisation and the delivery of its functions which therefore need to be managed strategically.
2. This report provides Members with an updated SRR which includes 16 strategic risks to the council, including existing controls as well as actions planned to further mitigate identified risks.

## RECOMMENDATIONS

3. That Members note the strategic risks, controls in place and actions planned to further mitigate the strategic risks as set out at Appendix 1.

## REASONS FOR RECOMMENDATIONS

4. Members have a duty to be aware of the potential strategic risks facing the Council.

## OTHER OPTIONS CONSIDERED AND REJECTED

5. N/A

## EXECUTIVE SUMMARY

6. This report provides an overview of the Strategic Risk Register 2021. The register contains information on the 16 strategic risks facing the Council and their risk ratings (high, medium, low). It also lists the controls already in place for each of the risks and the mitigating actions to be undertaken. In the 2021 register:

### Inherent risks

- ▶ **Eight** risks (50%) have been rated high (red) by their inherent score,
- ▶ **Eight** risks (50%) have been rated as medium (amber) by their inherent score

### Residual risks (with controls in place)

- ▶ **One** highly rated risk (6%),
- ▶ **Ten** risks rated at a medium level (63%),
- ▶ **Five** risks rated as low (31%).

## CORPORATE OUTCOMES

7. The report relates to the following corporate priorities:

An exemplary council	✓	Thriving communities	
A fair local economy that works for everyone		Good homes, green spaces, healthy places	

## BACKGROUND TO THE REPORT

8. Risk management is a cornerstone of good corporate governance and the Council has established a system of risk management which involves the creation of risk registers at a strategic, service level and individual project level.
9. Compiling the Strategic Risk Register requires a collective effort Involving Leadership Team (LT) to identify the key strategic risks facing the Council. LT are responsible for identifying, owning, monitoring and mitigating strategic risk within the organisation including ensuring that any actions against each risk are completed.

## HOW THE RISKS ARE SCORED

10. All risks are scored on a 4x4 risk matrix as outlined below:

4	4 Low	8 Medium	12 High	16 High
3	3 Low	6 Medium	9 Medium	12 High
2	2 Low	4 Low	6 Medium	8 Medium
1	1 Low	2 Low	3 Low	4 Low
	1	2	3	4
	Rarely – there is a slight possibility that the event will occur	Unlikely- there is a possibility that the event will occur or there is a history of occasional occurrence within the authority	Likely – There is a strong possibility that the event will occur or there is history or regular occurrence within the Authority	Highly likely -there is little doubt that the event will occur

11. All risks have been assessed by LT for 2021 on the likelihood of the risk occurring, against the impact for the organisation if it did occur. Taking into consideration any controls or actions planned over 2021. The resulting score out of 16 gives the inherent risk and is used to aid in prioritising the risk and mitigating actions.

12. Each risk has three risk scores, described below:

- ▶ **Inherent** – based on the likelihood and impact of the risk if we ‘do nothing’,
- ▶ **Residual**- this risk score considers any existing control measures in place,
- ▶ **Target**- the level of risk the risk owner is willing to accept considering the controls and actions in place.

13. When scoring the risks, the following factors have been considered:

- ▶ Environmental factors,
- ▶ Political factors,
- ▶ Financial considerations,
- ▶ Regional and national risk factors,
- ▶ Previous risks experienced by the council.

## SUMMARY OF THE RISKS

14. A summary of the **inherent** risks (ordered highest to lowest risk) for 2021 can be found below.

- ▶ Eight risks (50%) have been rated high
- ▶ Eight risks (50%) have been rated medium

Risk	Description	Owner	Inherent risk	Residual risk
<b>R01</b> Service delivery	The ability of the council to continue its service delivery being either halted or significantly scaled back as a result of major incidents or emergencies such as cyber-attacks, pandemics.	Chief Exec/Deputy Chief Exec	<b>16</b> (high)	<b>9</b> (medium)
<b>R02</b> Corporate Governance failure	Failure to implement and maintain the corporate governance framework action plan leading to continued fundamental weaknesses in internal controls	Director Governance	<b>9</b> (medium)	<b>6</b> (medium)
<b>R03</b> Financial sustainability	Reduction in current funding streams including government grant and key public sector and third-party partners	Director Finance/ Deputy Director Finance	<b>12</b> (high)	<b>9</b> (medium)
<b>R04</b> Management of capital funding and capital programme	Poor management and monitoring of capital funding to deliver large scale improvements to the corporate plan - ensuring that is on track and up to date and projects are delivered within agreed timescales and budget	Director Finance/ Senior Responsible Officers	<b>12</b> (high)	<b>9</b> (medium)
<b>R05</b> External legislation and policy change	Failure to account for and/or respond to external legislation and policy change for example those brought about by BREXIT, Universal Credit, GDPR, local government transformation, Green agenda.	Director Governance	<b>12</b> (high)	<b>8</b> (medium)

<b>Risk</b>	<b>Description</b>	<b>Owner</b>	<b>Inherent risk</b>	<b>Residual risk</b>
<b>R06</b> Staff capacity and skills	Lack of staff capacity and/or skills to enable the Council to deliver large-scale capital projects to support the Corporate Strategy	Deputy Chief Exec	<b>9</b> (medium)	<b>4</b> (low)
<b>R07</b> ICT security and data protection	Failure to comply with GDPR regulations and data legislation leading to action taken against the council, including reputation and legal action resulting in fines.	Director Customer and Digital	<b>12</b> (high)	<b>8</b> (medium)
<b>R08</b> Strategic partnerships	Failure to achieve desired outcomes through strategic relationships incl. City Deal	Chief Exec/Deputy Chief Exec	<b>16</b> (high)	<b>12</b> (high)
<b>R09</b> Agile services (consideration post COVID-19)	Failure to adapt business models and services to reflect changes in the way people interact and do business with the council (including consideration of communities' post COVID-19, impact of local economy and council services).	Deputy Chief Executive	<b>12</b> (high)	<b>8</b> (medium)
<b>R10</b> Council's reputation	Damage to the Council's reputation and potential reduction in resident satisfaction	Director Governance	<b>9</b> (medium)	<b>4</b> (low)
<b>R11</b> Shared service arrangements	Failure of existing shared service arrangements/ failure to expand shared services arrangements	Chief Exec/Deputy Chief Exec	<b>9</b> (medium)	<b>2</b> (low)
<b>R12</b> Staff satisfaction and morale	Reduction in staff satisfaction and morale with the Council including increase in sickness absence	Shared Service Lead-Transformation and Partnerships	<b>9</b> (medium)	<b>6</b> (medium)
<b>R13</b> Political relationships	Failure to maintain political stability and Officer-Member relationships	Director Governance	<b>9</b> (medium)	<b>6</b> (medium)
<b>R14</b> Council performance	Failure to sustain performance of Corporate Strategy projects and general organisational performance	Shared Service Lead-Transformation and Partnerships	<b>9</b> (medium)	<b>4</b> (low)
<b>R15</b> Data breach or action leading to complaints or ICO investigation	Shared system arrangements to facilitate South Ribble Together Hub (Covid) with Citizens Advice leading to poor service or data breach leading to financial penalty and reputational harm	Director – Neighbourhoods and Developments	<b>12</b> (high)	<b>4</b> (low)
<b>R16</b> Brexit	Potential detrimental impact of Brexit upon service delivery	Deputy Chief Executive	<b>9</b> (medium)	<b>8</b> (medium)

15. Further details about each of these risks, residual and target scores and their mitigating controls and actions can be found within the detailed risk register at Appendix 1.
16. Eight risks (50%) have been scored as high (by their inherent risk) in the 2021 register. These risks primarily relate to delivering council priorities effectively, within budget and governance. Risks include financial sustainability and funding, consideration of external policy and compliance, partnership working and continuing to deliver council services effectively despite the impact of elements outside of council control.
17. One of the highest rated risks to the council for 2021 is R01 'the ability of the council to continue its service delivery being either halted or scaled back as a result of major incidents or emergencies such as cyber-attacks, pandemics'. This risk is rated highly due to the likelihood and impact of disruption to business continuity due to the ongoing COVID-19 pandemic. However, the controls we have in place to mitigate this risk as a council are strong and therefore the residual and target scores reduce significantly to medium.
18. The maintenance and success of key strategic partnerships are key to the Council meeting its key corporate priorities and aims. Risk R08 relates to the success of these partnerships and has been rated highly for 2021 given the Council's reliance on them and specific issues relating to the City Deal. There remain strong partnerships in place with governance arrangements to manage relationships through mechanisms such as the South Ribble Partnership.
19. As would be expected, COVID-19 has had a significant impact on the consideration and scoring of some of the highest rated risks for 2021. Its impact (and potential unknown future impact) can be seen influencing several of the highest risks facing the council. This includes R03 'reduction in current funding streams including government grant and key public sector and third-party partners. This risk has been rated highly due to the unknown impact of COVID-19 on future funding/income streams and potential impact on council income generation. It can also be seen against risk R09 'agile services' due to the likelihood of changing customer needs and environments during and post the pandemic. Strong actions are in place against this risk including effective business planning for 2021/22 and undertaking a survey to understand the changing needs of residents and therefore the target risk is low.
20. Two of the highest rated risks facing the Council are financial. These risks involve the management of capital funding and the capital programme (R04) and financial sustainability (R03). With regards to financial sustainability, this risk has been rated highly due to probability of reduction in current funding streams including Central Government grants, key public sector and third party partners following as a result of the COVID – 19 pandemic in an environment where cuts were already ongoing. Risk R04 involves the management of capital funding to deliver large scale improvements within the Corporate Plan. The Corporate Plan is a significant document which determines the direction of the council and key projects to be delivered over the next three years and therefore the impact of any poor management of capital funding to deliver the plan would be high. Although both rated highly – strong, well established controls and monitoring are in place to manage both risks and therefore the residual and target risks are lower, at medium.
21. Risk R05 and R07 relate to external policy and legislation and the potential failure of the Council in complying with/ responding effectively to them. Risk R05 specifically relates to policy change such as Brexit and GDPR and the risk should the council fail to comply with existing regulations (in the case of GDPR) or any new regulations arising (Brexit). There is

also a separate Brexit risk at R16 which is rated at a medium level due to the need for awareness of potential changes in council policies and procedure following Brexit.

22. Risk R07 is more data based and related to policy/ legislation surrounding GDPR and data protection and the Council's compliance with it. Work is continuing around GDPR compliance however comprehensive actions are in place following the Council's GDPR audit and therefore the target level of risk is low at 4, reflecting the level of risk the council is willing to accept following the completion of all actions and controls.
23. Eight risks (53%) are rated at a medium level for 2021. These risks are around internal governance, political relationships, shared services, staff satisfaction and the Council's reputation. The medium rating of these risks reflects the work that has been undertaken over the last 18 months as part of improvements to the Council's governance processes and internal structures, as well as the successful completion of phase one of shared services and agreement to progress to phase two. Staff have continued to be supported, through the difficult circumstances of the COVID – 19 pandemic and the last staff satisfaction survey (pre-COVID) showed satisfaction was 78%.
24. The significance of these risks and their potential impact on the council remains however, and therefore they are rated at a medium level for 2021 along with existing controls already in place and any further actions to be undertaken to mitigate these risks.
25. Risk R02 'corporate governance failure' is rated as a medium this year. The risk is around failure to implement and maintain the corporate governance framework action plan leading to continued fundamental weaknesses in internal controls. The risk has been classed as medium due to significant learning following previous governance failures and the strong actions and controls that have therefore been put in place and are being delivered through the Annual Governance Statement action plan. Several actions to be delivered will contribute towards effective corporate governance, meaning the target risk is low and rated 4 (green).
26. Risk R15 is related to the establishment of South Ribble Together Hub and the development of a triage and referral service being delivered with support from Citizens advice. The risk directly relates to potential for data breaches and implications of enforcement by the Information Commissioner. Several mitigating actions and controls are in place that have moved the risk from high to low. Progress will be continually monitored and regular management meetings of the service is overseen through the Community Development Team Manager.

## **RISK**

27. N/A

## **EQUALITY**

28. N/A

## **AIR QUALITY IMPLICATIONS**

29. There are no direct air quality implications from this report. Air quality will be considered for any actions which are relevant to mitigate identified risks.



## COMMENTS OF THE STATUTORY FINANCE OFFICER

30. The strategic risk register plays an important role in the council's internal control environment and so it is important it is regularly reviewed. The implementation of the controls and actions identified do not have any new financial implications.

## COMMENTS OF THE MONITORING OFFICER

31. Clearly having a detailed and comprehensive Strategic Risk Register is important from the point of view of having robust governance arrangements in place. It demonstrates that the council has directed its mind to the principal risks facing it and how best to mitigate them. There are no concerns from a Monitoring Officer perspective with what is proposed here.

## .APPENDICES

► **Appendix 1** - Detailed Strategic Risk Register 2021

Chris Sinnott  
Deputy Chief Executive

Report Author:	Email:	Telephone:	Date:
Howard Anthony	howard.anthony@southribble.gov.uk	01772 625546	23/12/2020

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Risk ref	Risk	Risk description	Risk owner	Inherent risk			Existing control measure	Control owner	Residual risk score			Action	Owner	Action date	Target risk score			Risk category		
				Likelihood	Impact	TOTAL			Likelihood	Impact	TOTAL				Likelihood	Impact	TOTAL			
R01	Service delivery	The ability of the council to continue its service delivery is either halted or scaled back as a result of major incidents such as cyber-attacks, pandemics.	Chief Exec/ Deputy Chief Exec	4	4	16	Business Continuity Planning & Management / BCP arrangements.	Senior Risk and Insurance Officer	3	3	9	Ensure BCP are reviewed and maintained up to date, including criticality service and role identification and identification of Council's vulnerable Officers.	Senior Risk and Insurance Officer	31/03/21	3	2	6	Financial		
							Emergency Planning and Management / EP arrangements	Senior Risk and Insurance Officer				Review Disaster Recovery / Business Continuity plan for IT, ensure homeworking model is maintained, and address any learning points.	Director of Customer and Digital	31/03/21					Information	
							Emergency and Business Continuity Planning arrangements e.g COMAH, flu, flood (external plans)	Director of Governance / Director of Neighbourhoods and Development				Ensure Government guidance / operational change to services are implemented appropriately.	Deputy Chief Executive	Ongoing						Technological
							IT Business Continuity / Disaster Recover planning including home working solution in place as appropriate.	Director of Customer and Digital				Review processes implemented to ensure controls in place and risks mitigated.	Head of Audit/risk	31/03/21						
							National, regional and local security plans including Command & control structure	Chief Executive				In-year budgets and MTFS reviewed to identify and release necessary resources to implement mitigating actions, this includes a review of staffing	Deputy Director of Finance	Ongoing						
							Government Guidance in respect of provision of Grants / operation of services during any periods of lockdown actioned and implemented.	Chief Executive / Deputy Chief Executive												
							Provision of support from Council services as appropriate.	Directors												
							COVID -19 working practices and procedures in place in line with Government guidance e.g handwashing, agile working etc	Chief Executive / Deputy Chief Executive												
							Regular updates with government regarding additional funding, reviewing areas of non-essential spend and loss of income as part of budget monitoring processes, mitigating risk through review of reserves as part of MTFS	Deputy Director of Finance												
Creation of services / partnership working / work with faith, community and voluntary sector to provide support for businesses and households.	Shared Service Lead - Transformation and Partnerships																			
R02	Corporate Governance failure	Failure to implement and maintain the corporate governance framework action plan leading to continued fundamental weaknesses in internal controls	Director Governance	3	3	9	AGS Action plan.	Director of Governance	2	3	6	Develop more inclusive approach to development & production of AGS	Director of Governance	31/12/21	2	2	4	Legal/regulatory		
							Transformation Strategy	Shared Service Lead - Transformation and Partnerships				Review and align areas of Constitution as required and Codes of Conduct.	Director of Governance	31/03/21				Reputational		
							Council Constitution & Codes of Conduct	Director of Governance				Ensure Member & Officer protocols maintained up to date and aligned for Shared Services as required.	Director of Governance	31/03/21						
							Member and Officer Protocols	Director of Governance				Revise Local Code of Corporate Governance, update and align to CIPFA / SOLACE requirements	Director of Governance	31/12/21						
							Local Code of Corporate Governance Framework in place	Director of Governance				Review Financial Procedure Rules	Deputy Director of Finance	27/01/21						
							Constitution, including Financial Procedure Rules and Contract Procedures Rules	Director of Governance / Deputy Director of Finance				Ensure Audit Plan 2020/21 includes work that contributes to ensuring robust governance framework in place.	Principle Auditor	Jan-21						
							Internal Audit Plan	Principle Auditor				Follow up reviews from 2019/20, to ensure Management Actions implemented	Principle Auditor	31/03/21						
							Individual Audit Reviews	Principle Auditor				Provision of Governance training for all staff.	Director of Governance	In progress						
							CPR Training	Principle Procurement Officer				Implement Process for follow up of Management Actions for all Audit reviews undertaken in 2018/19 and 2019/20.	Principle Auditor	31/03/21						
R03	Financial sustainability	Reduction in current funding streams including government grant and key public sector and third party partners	Director Finance/ Deputy Director Finance	4	3	12	Budget forecasting within MTFS; 5 year MTFS aligned with 3 year Corporate Plan	Deputy Director of Finance	3	3	9	Implement Strategic asset review actions	Director of Planning and Property / Assistant Director of Projects and Development	31/03/21	3	2	6	Financial		
							Monitoring / reporting of delivery of Corporate Plan and MTFS;	Shared Service Lead - Transformation and Partnerships / Deputy Director of Finance				Ensure MTFS aligned to Corporate Plan. Ensure Corporate plan budget / spend monitored and managed.	Deputy Director of Finance	End of 2021						
							Financial training of officers and members	Deputy Director of Finance				Maintain financial training for all relevant staff	Deputy Director of Finance	31/12/21						
							Maintenance of high Council Tax / Business Rates collection rates	Director of Customer and Digital				Review budget monitoring / management arrangements, ensure compliance with financial procedure rules	Interim Head of Shared Assurance/ Deputy Director of Finance	31/12/21						
							Existing relationships with public sector partners	Shared Service Lead - Transformation and Partnerships				Identify, implement and review proposed efficiency savings and income generation proposals that support the MTFS and Corporate Priorities	Deputy Director of Finance	24/02/21						

							Contingencies / reserves regularly reviewed;	Deputy Director of Finance										
							Budget monitoring arrangements in place	Deputy Director of Finance										
R04	Management of capital programme and capital funding	Poor management and monitoring of capital funding to deliver large scale improvements to the corporate plan - ensuring that is on track and up to date and projects delivered within agreed timescales and budget	Director Finance/ SRO's	3	4	12	Capital Funding reflects priorities in Corporate Strategy	Deputy Director of Finance	3	3	9	Strong partner relationships	Chief Executive	31/12/21	2	3	6	Financial
							Quarterly monitoring of capital programme and funding to Programme Board	Shared Service Lead - Transformation and Partnerships / Deputy Director of Finance				Regular monitoring of capital projects with project leads and finance team, including quarterly reporting to members, early identification and reporting of changes to projects budgets, project delivery timescales and funding arrangements	Shared Service Lead - Transformation and Partnerships / Deputy Director of Finance/ Directors	31/01/21				
							Quarterly budget and performance monitoring reports presented to Cabinet	Shared Service Lead - Transformation and Partnerships / Deputy Director of Finance				Finance team meet regularly with services to update funding arrangements of capital programme including identifying alternative sources such as CIL, S106 and grant funding bid	Directors/ Deputy Director of Finance	31/03/21				
R05	External legislation and policy change	Failure to account for and/or respond to external legislation and policy change for example those brought about by BREXIT, Universal Credit, GDPR, local government transformation, Green agenda	Director Governance	3	4	12	Regular policy reviews by relevant officers within individual services.	Directors	2	4	8	GDPR Group	Head of Customer Experience	31/03/21	2	3	6	Legal/regulatory
							Circulation of regular policy and legislation briefings	Shared Service Lead - Communications and Visitor Economy				Services to review and maintain necessary membership of professional bodies and other associations	Directors	31/03/21				
							Proactive arrangements to respond to consultations from central government departments and agencies	Shared Service Lead - Transformation and Partnerships				Deliver green agenda project	Environmental Health Officer (Lead on Green Project)	31/12/21				
							Officer and Member induction and training, CPD and attendance on relevant training courses specific to service areas.	Shared Service Lead - Transformation and Partnerships / Director of Governance										
							Maintenance of interaction with partner agencies.	Shared Service Lead - Transformation and Partnerships / Performance and Partnerships Team Lead										
R06	Staff capacity and skills	Lack of staff capacity and/or skills to enable the Council to deliver large-scale capital projects to support the Corporate Strategy	Deputy Chief Executive	3	3	9	Approved Transformation Strategy and action plan	Shared Service Lead - Transformation and Partnerships	2	2	4	Review transformation strategy and action plan	Shared services Lead - Transformation and HR	31/12/21	1	2	2	Human resources
							Organisational Development	Shared Service Lead - Transformation and Partnerships				Management restructure as part of Shared Services, ensure accountability and responsibility is allocated and owned.	Chief Executive	31/31/21				
							Approved policies such as Pay / Recruitment Policies	Shared Service Lead - Transformation and Partnerships				HR Policies to be reviewed and aligned as part of Shared Services arrangements	Shared services Lead - Transformation and HR	Ongoing				
							Employee benefits kept under review	Shared Service Lead - Transformation and Partnerships				Revised PDR process in place 2019/20, to be further embedded in 2020/21	Shared services Lead - Transformation and HR	31/03/21				
							Staff and member development / PDR's	Director of Governance				Continuous Development of Shared Services arrangements	Chief Executive	31/12/21				
							Workforce Strategy	Shared Service Lead - Transformation and Partnerships										
							Resilience from shared service arrangements.	Chief Executive / Deputy Chief Executive										
R07	ICT security and data protection	Failure to comply with GDPR regulations and data legislation leading to action taken against the council, including reputation and legal action resulting in fines.	Director Customer and Digital	3	4	12	ICT security / Cyber Security arrangements; GDPR / Data Protections policies and arrangements in place ; Information Security Policies in place	ICT Manager	2	4	8	Review DR / BC arrangements for compliance. Review Data backup and recovery arrangements for compliance and effectiveness.	Interim Head of Shared Assurance	31/12/21	1	4	4	Technological
							Information Security Policies and Procedures in place	ICT Manager				Continue regular introductory and refresher training as required	Director of Customer and Digital	ongoing				
							PSN accreditation / ICT security testing / ICT security firewall testing.	ICT Manager				Actions arising from GDPR audit review to be implemented; Management actions to be monitored and reported back to Leadership Team and Governance Committee as appropriate.	SIRO (Director of Customer and Digital)/ Interim Heas of Shared Assurance/ All Information Asset Owners	31/03/21				
							IT Digital Strategy / Digital Strategy Programme and Projects / Annual ICT work programme;	ICT Manager										
							SOCITIM review implementation	ICT Manager										
							Disaster Recovery / Business Continuity Plan and arrangements. Data backup and recovery arrangements and agreements	Director of Customer and Digital										
							Member & Officer Policies and Training in place	ICT Manager										
Regular audits of compliance / governance arrangements undertaken	Senior Risk and Insurance Officer																	
R08	Strategic partnerships	Failure to achieve desired outcomes through strategic relationships including City Deal	Chief Exec / Deputy Chief Exec	4	4	16	Key Strategic Partnership Frameworks & Agreements in place	Deputy Chief Executive	4	3	12	Review Council's Partnership Framework Policy / Strategy and ensure up to date	Shared Service Lead - Transformation and Partnerships	31/03/21	2	2	4	Strategic
							Shared Governance arrangements in place and agreed to including agreed aims and objectives; Joint working protocols	Director of Governance				Review Governance arrangements to ensure operating effectively	Director of Governance	31/03/21				
							Partnership Boards including representatives from the Council	Shared Service Lead - Transformation and Partnerships				Review of councils continued involvement - City Deal	Director of Planning and Property	31/03/21				
							Agreed Structures and appropriately allocated responsibilities and accountabilities	Shared Service Lead - Transformation and Partnerships										



							Partnership reviews and performance monitoring arrangements in place	Shared Service Lead - Transformation and Partnerships										
R09	Agile services (consideration post COVID - 19)	Failure to adapt business models and services to reflect changes in the way people interact and do business with the council (including consideration of communities post Covid-19, impact of local economy and council services)	Deputy Chief Exec	4	3	12	Transformation Board	Shared Service Lead - Transformation and Partnerships	4	2	8	Continuation of Digital to improve projects.	Director of Customer and Digital	31/12/21	4	1	4	Operational
							ICT Digital and Customer Strategies	Director of Customer and Digital				Undertake residents survey to understand the needs of residents post-covid	Shared Service Lead - Transformation and Partnerships	31/12/21				Technological
							Business planning	Shared Service Lead - Transformation and Partnerships				Deliver effective business planning process 2021/22	Shared Service Lead - Transformation and Partnerships	31/05/21				
							Digital Inclusion Strategy	Director of Customer and Digital				Implementation of ICT Digital Strategy, Customer mapping	Director of Customer and Digital	31/12/21				
												Review Customer Strategy	Director of Customer and Digital	31/12/21				
R10	Council's reputation	Damage to the Council's reputation and potential reduction in resident satisfaction	Director Governance	3	3	9	Effective Governance and decision making arrangements in place	Director of Governance	2	2	4	Review Local Code of Corporate Governance and ensure compliance with CIPFA / SOLACE requirements.	Director of Governance	30/06/21	2	2	4	Reputational
							Communication and Engagement with local stakeholders, businesses and residents	Shared Service Lead - Communications and Visitor Economy				Refresh and implementation of the new Communications Strategy	Shared Service Lead - Communications and Visitor Economy	31/12/20				
							Compliments and complaints policy and procedure in place	Director of Customer and Digital										
							Monitoring of social media and response	Shared Service Lead - Communications and Visitor Economy										
							Resident satisfaction survey	Shared Service Lead - Transformation and Partnerships										
Planning policies	Director of Planning and Property																	
R11	Shared service arrangements	Failure of existing shared service arrangements/failure to explain shared service arrangements	Chief Exec	3	3	9	Strategic partnership Framework	Shared Service Lead - Transformation and Partnerships	1	2	2	Deliver phase 2 shared services	Shared Service Lead - Transformation and Partnerships	31/12/21	1	1	1	Operational
							Effective Governance arrangements in place	Director of Governance										Partnership/contractual
							Agreement of Executives at both Council's	Deputy Chief Executive										
							Regular engagement with trade unions as part of the shared services development	Deputy Chief Executive										
Phased approach Plan developed and agreed	Deputy Chief Executive																	
R12	Staff satisfaction and morale	Reduction in staff satisfaction and morale with the Council including increase in sickness absence	Shared Service Lead - Transformation and Partnerships	3	3	9	OD Strategy	Shared Service Lead - Transformation and Partnerships	2	3	6	Gather staff sickness stats to inform processes	Shared Service Lead - Transformation and Partnerships	31/03/21	2	2	4	Human resources
							HR processes in place (inc PDPs for development)	Shared Service Lead - Transformation and Partnerships				Refresh internal comms strategy (incl work through Listening Day working groups)	Shared Service Lead - Communications and Visitor Economy	28/02/21				
							Staff communications	Shared Service Lead - Communications and Visitor										
R13	Political relationships	Failure to maintain political stability and Officer-Member relationships	Director Governance	3	3	9	Reviewed Democratic service	Director of Governance	3	2	6	Review constitution to review formality	Director of Governance	31/12/21	2	2	4	Operational
							Portfolio reviews	Deputy Chief Executive				Member training	Director of Governance	31/12/21				
							Regular Member briefings	Deputy Chief Executive				Updating Member code of conduct and investigation procedure	Director of Governance	31/12/21				
							Clear Corporate Strategy priorities	Shared Service Lead - Transformation and Partnerships										
							Regular Leader briefing	Chief Executive										
R14	Council performance	Failure to sustain performance of corporate strategy projects and general organisational performance	Shared Service Lead - Transformation and Partnerships	3	3	9	Quarterly performance monitoring	Performance and Partnerships Team Lead	2	2	4	Performance management training for management/ staff	Performance and Partnerships Team Lead	31/12/21	1	2	2	Operational
							Quarterly performance report to Exec Cab	Performance and Partnerships Team Lead										
							Business planning	Performance and Partnerships Team Lead										
							local indicators	Performance and Partnerships Team Lead										
							Programme Board	Performance and Partnerships Team Lead										
							Refreshed performance management framework	Performance and Partnerships Team Lead										
							Transformation plan	Transformation and Change Manager										
R15	Data breach or action leading to complaints or ICO investigation	Shared system arrangements to facilitate South Ribble Together Hub (Covid) with Citizens Advice leading to poor service or data breach leading to financial penalty and reputational harm	Director Neighbourhood and Developments	3	4	12	Data sharing agreement setting out clear responsibilities in place	Community Development Manager	4	1	4	South Ribble Community Development officers are checking Firmstep to ensure data is recorded correctly	Community Development Manager	Ongoing daily	2	1	2	Legal/regulatory
							Data impact assessment completed and signed off by DP officer	Community Development Manager				Regular evaluation meetings taking place between SRBC and CAB to identify any challenges and how these can be overcome	Community Development Manager	Ongoing daily				
							Access to Firmstep is limited and set by profiles	Community Development Manager										
							All users have training on GDPR and this is recorded and evidence retained	Community Development Manager										
							All users have training on systems	Community Development Manager										



REPORT TO	ON
Governance Committee	19 January 2021



TITLE	REPORT OF
Insurance Brokerage Procurement	Director of Governance and Monitoring Officer

Is this report confidential?	No
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## PURPOSE OF THE REPORT

1. This report is to inform members of the recent Insurance Brokerage Service procurement.

## CORPORATE OUTCOMES

2. The report relates to the following corporate priorities: *(tick all those applicable)*:

An exemplary council	✓	Thriving communities	
A fair local economy that works for everyone		Good homes, green spaces, healthy places	

## BACKGROUND TO THE REPORT

3. The Shared Audit and Risk Service (formerly Shared Assurance Services) has delivered insurance services on behalf of South Ribble and Chorley Council's since 2009, the broker contract is procured by South Ribble Borough Council on behalf of both authorities.

The Insurance Broker contact was last procured in 2016. It established a 2-year contract on a fixed fee basis, with the option to extend on an annual basis for a further 2 years. Both councils chose to extend the contract into years 3 and 4 with the contract coming to an end on the 31 December 2020.

A procurement exercise was necessary during 2020 to obtain a new contract from 01 January 2021.

## INSURANCE BROKERAGE

4. Market leading and multinational insurance companies do not deal directly with clients therefore organisations need to engage the services of an Insurance Broker.

The council procures Insurance Brokerage to provide ongoing consultancy on each council's insurance policy portfolio. The brokers will review both portfolios looking at the risk environment and the risk management practises to ensure insurable risks are covered or have been considered. Shared Audit and Risk work closely with the broker to keep insurers informed of strategic projects or day to day service delivery activity. This guarantees

appropriate levels of insurance cover are maintained, protecting both councils against financial loss.

The Shared Audit and Risk Service supports the broker to undertake the annual renewal process, which informs the forthcoming years premiums. It is desirable to have a broker with a strong marketplace, which they use alongside their relationships with major insurers to negotiate down premium increases or achieve other monetary savings and benefits.

## PROCUREMENT

5. The procurement was delivered using the YPO procurement framework. There are two frameworks available for use to procure public sector insurance brokerage services, the CCS and YPO. There is little difference between the offerings, both had all the major public sector brokerage companies listed in the framework. However, opinions were sought from other local authorities and the current brokerage provider. In the main the YPO service was preferred and an additional factor was the leading officer on the YPO framework had assisted the shared procurement in 2016 so was familiar with the shared service arrangement between the two councils.

The existing contract value was £6250.00 across both authorities, with additional brokerage fees for the insurance procurement activity. Under advice it was estimated there may be as much as a 50% increase in the market standard fees for the size of brokerage contract being procured. With a similar length of contract, the procurement was considered as an Intermediate Value Procurement (£25,000 - £100,000) under the councils Contract Procedure Rules and approval was sought from the Director of Governance to procure through a framework.

The framework agreement option was chosen as it offered reduced administration costs and offered access to pre-approved providers. All providers on the framework pre-agree a standard set of terms and service delivery standards. In addition to the standard terms of the framework the tender outlined the brokerage expectations of South Ribble and Chorley Councils, listing key future projects and aspirations. The tender was published with an evaluation criteria of 30% price and 70% quality.

There were 3 bids received for the tender, the successful bidder A J Gallagher scored highest in price, but more importantly in the quality questions.

## FINANCIAL

6. It was expected that the value of brokerage contract would increase on this procurement in line with the ongoing changes within the insurance market which is hardening. With less competition in the market premiums increase. The current pandemic is greatly influencing the insurance environment.

Recent mergers and acquisitions in major brokerage companies have however created competition in the broker market, including the public sector contract environment. The Council had budgeted for a 50%- 80% increase in the annual contract value considering market conditions, but the procurement achieved an 86% saving.

	Annual Consultancy	Saving
Aon	6250.00	
A J Gallagher	840.00	5410.00



The contract between A J Gallagher and South Ribble Borough Council will provide brokerage services to both South Ribble and Chorley Councils. The contract value above is the total contract, the sum will be split across the two councils.

It should be noted that brokers receive additional remuneration on contracts. When placing insurance policies brokers charge each insurer a 3.5%\* ISB (Insurance Services Brokerage) fee. This is charged annually at renewal on placement of each new policy.

(\*The 3.5% ISB related to all insurance policies placed at the wider portfolio procurement through the framework. Standalone or niche policies may be placed with a higher ISB as outlined in A J Gallagher's Terms of Business)

## **RISK**

7. There is a risk that A J Gallagher does not deliver a quality service and fails to achieve competitive long-term agreements when procuring the new insurance policies. This will be managed within the Audit and Risk Service by contract management and officers being actively involved in the wider insurance procurement activity.

## **EQUALITY AND DIVERSITY**

8. There are not Equality and Diversity impacts.

## **AIR QUALITY IMPLICATIONS**

9. There are no air quality impacts.

## **COMMENTS OF THE STATUTORY FINANCE OFFICER**

10. The proposed contract is within budget provision.

## **COMMENTS OF THE MONITORING OFFICER**

11. No comments.

## **BACKGROUND DOCUMENTS**

12. There are no background papers to this report.

Chris Moister  
Director of Governance

Report Author:	Email:	Telephone:	Date:
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REPORT TO	ON
Governance Committee	19 January 2021



TITLE	REPORT OF
RIPA Update	Director of Governance and Monitoring Officer

Is this report confidential?	No
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## PURPOSE OF THE REPORT

1. To provide a brief update to members on the council's use of its powers under the Regulation of Investigatory Powers Act 2000 (RIPA).

## RECOMMENDATIONS

2. That Members should note the report

## REASONS FOR RECOMMENDATIONS

3. The reason for the report is simply to update members

## OTHER OPTIONS CONSIDERED AND REJECTED

4. An annual update report is generally considered to constitute good practice

## CORPORATE OUTCOMES

5. The report relates to the following corporate priorities:

An exemplary council	X	Thriving communities	
A fair local economy that works for everyone		Good homes, green spaces, healthy places	

## BACKGROUND TO THE REPORT

6. RIPA – amongst other things – provides the legislative framework within which covert surveillance operations must be conducted in order to ensure that investigatory powers are used in accordance with human rights.

## **DETAILED CONSIDERATIONS**

7. There are two main ways a council may carry out surveillance activity under the authority of RIPA. Firstly it may carry out directed covert surveillance – this is surveillance carried out in a manner calculated to ensure that the person the subject of the surveillance is unaware it is or may be taking place. Secondly it may make use of a Covert Human Intelligence Source – in the main this is something that the Police make use of, very rarely councils.
8. For a number of years after RIPA came into force (in the year 2000) the council – like most other councils – did make some use of its RIPA powers. This was primarily directed covert surveillance. Such powers were used sparingly. An example where we used such powers was when we were investigating noise complaints about residential properties.
9. However, we have not used our RIPA powers for many years now. This is typical of many district councils. The last recorded use was in 2008.
10. The principal reason why we have not used our RIPA powers in recent years is that there was a change in legislation. The threshold to authorise the use of such powers was raised. Essentially the council can only use directed covert surveillance for the purpose of preventing or detecting crime. Further the offence in question must attract a potential custodial sentence of at least 6 months or involve the sale of alcohol or tobacco to minors. In addition judicial authority is now required prior to the use of such powers. In passing the vast majority of offences that a district council may investigate do not attract a custodial sentence of more than six months.
11. The change of legislation forced councils to change their practices. For example in the case of monitoring a noise complaint we would typically now write to the household concerned telling them that we are aware of a potential issue and we will be monitoring – in other words we make the surveillance overt.
12. So for the sake of clarity members should be aware that we have not used our RIPA powers in the last 12 months. Members should also be aware though that if we are investigating a potential offence of sufficient seriousness then consideration could still be given to the use of RIPA powers if considered appropriate, proportionate and necessary.
13. Committee should note that during the last year we were subject to an inspection of our RIPA regime by the Investigatory Powers Commissioner's office. This was an inspection carried out via email and over the telephone – the COVID situation prevented any in person inspection. The Commissioner raised no issues of concern in his letter dated 26<sup>th</sup> of June 2020. Of our RIPA policy the Commissioner stated: "It provides sound guidance and advice for staff and includes sections on the use of social media and the correct handling and destruction of material acquired by means of covert activity."
14. It was agreed with the Commissioner that refresher training should be provided to relevant staff. This will be arranged via an external trainer in conjunction with Chorley Borough Council. In normal circumstances this training would have been provided by now – this will be sorted out once the COVID situation improves.
15. Minor changes will be required to the RIPA policy to reflect the recent changes in management structure. This will be resolved within the immediate future.

**RISK**

16. There are no adverse risk considerations arising from this.

**EQUALITY AND DIVERSITY**

17. Not relevant to this report.

**AIR QUALITY IMPLICATIONS**

18. There are no Air Quality Implications arising from the report.

**COMMENTS OF THE STATUTORY FINANCE OFFICER**

19. There are no financial implications arising from this report.

**COMMENTS OF THE MONITORING OFFICER**

20. There are no concerns from a Monitoring Officer perspective – the legal considerations are set out in the body of the report.

**There are no background papers to this report**

**There are no appendices**

LT Member's Name : David Whelan

Job Title : (Shared Services Lead - Legal & Deputy Monitoring Officer)

Report Author:	Email:	Telephone:	Date:
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