

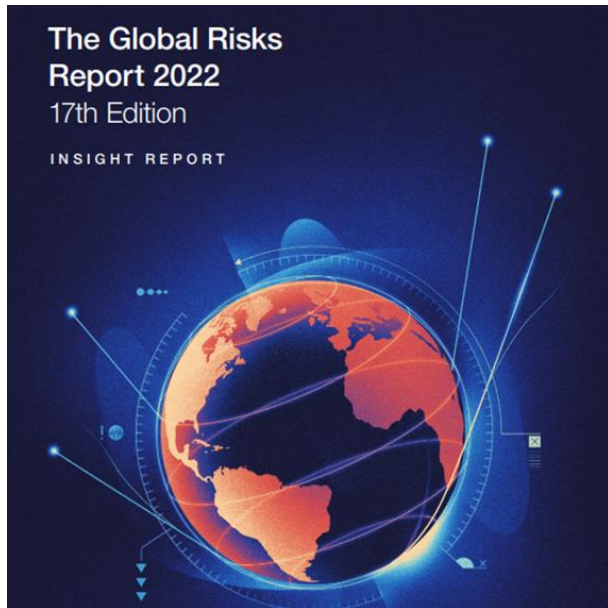
Rising to the Challenge: Global to Local

CIPFA North Anglia – Norwich Day Conference
14th October 2022

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Global perspective



<https://www.zurich.com/en/knowledge/topics/global-risks/the-global-risks-report-2022>

- Full Report
- Executive Summary

Local perspective



<https://www.zurich.co.uk/news-and-insight/rising-to-the-challenge-future-of-public-sector>



Global Risk Report



- As we emerge from the pandemic and face ever increasing global, geo-political and societal risks. This session will utilise the findings of the Global Risk Report 2022 to explore some of the key long-term risks and topics that could impact the sector & wider society.
- All leaders need to consider their resilience, long-term sustainability, and footprint - not just from an economic perspective but also from a societal, sustainable and carbon neutral viewpoint.



Global risk perceptions highlight societal and environmental concerns

Risks that worsened the most since the start of the COVID-19 crises

Respondents to the GRPS Survey perceive societal risks as those that have worsened the most since pandemic began.



Social cohesion erosion



Livelihood crises



Climate action failure



Mental health deterioration



Extreme weather

Economic

Environmental

Geopolitical

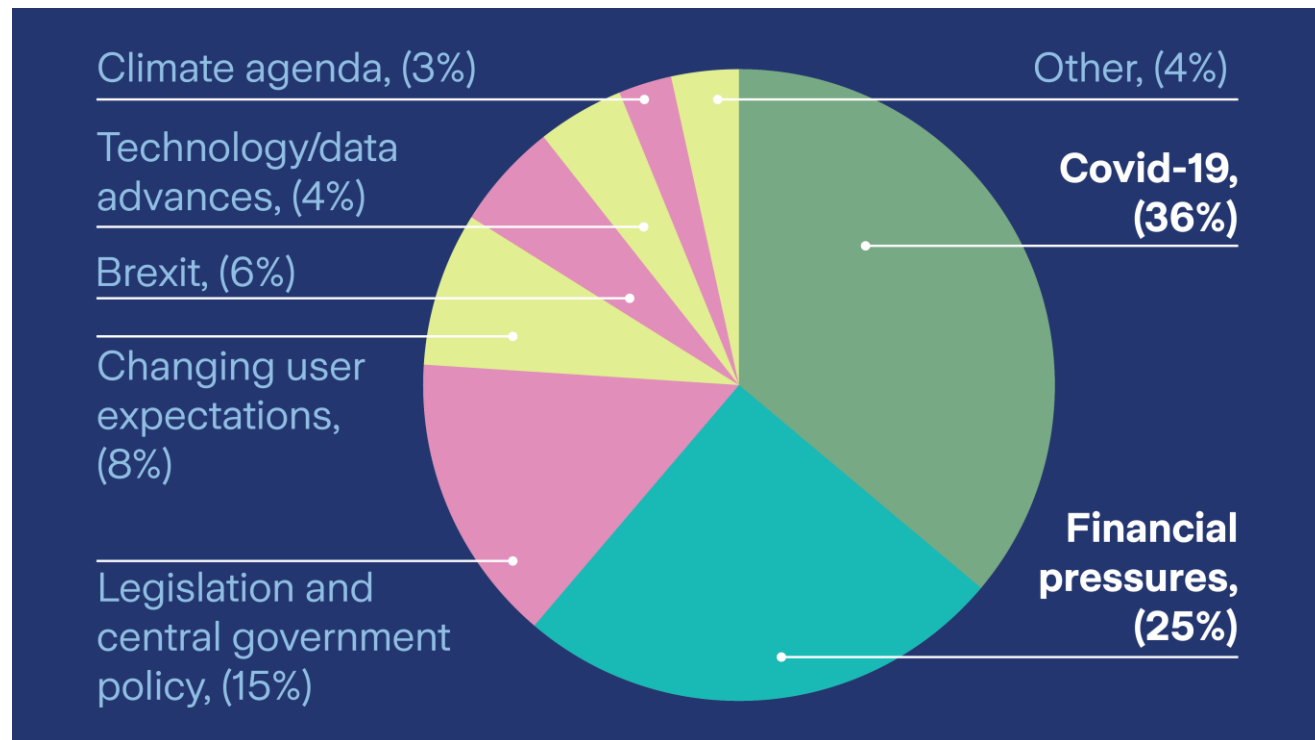
Social

Technological

In the last five years, change has been largely reactive, exacerbated by Covid-19 and financial pressures for UK public sector.

“I think we have done a great job with increasingly limited resources. We're as prepared as we can be but much is outside our hands.”

“We're massive and complex, and the challenges we will be facing are massive and complex. In a lot of ways the landscape is too messy to be properly prepared.”



“Identify the most severe risks on a global scale over the next 10 years”

■ Economic ■ Environmental ■ Geopolitical ■ Societal ■ Technological

1st Climate action failure

2nd Extreme weather

3rd Biodiversity loss

4th Social cohesion erosion

5th Livelihood crises

6th Infectious diseases

7th Human environmental damage

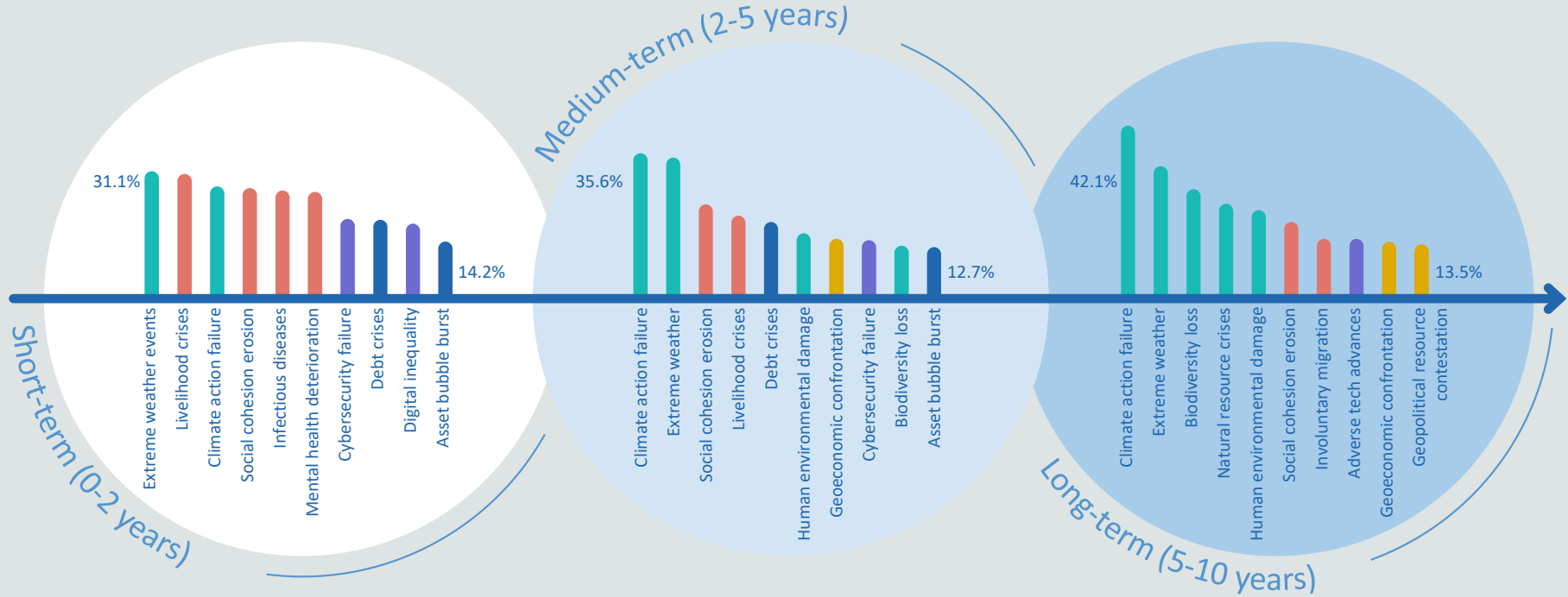
8th Natural resource crises

9th Debt crises

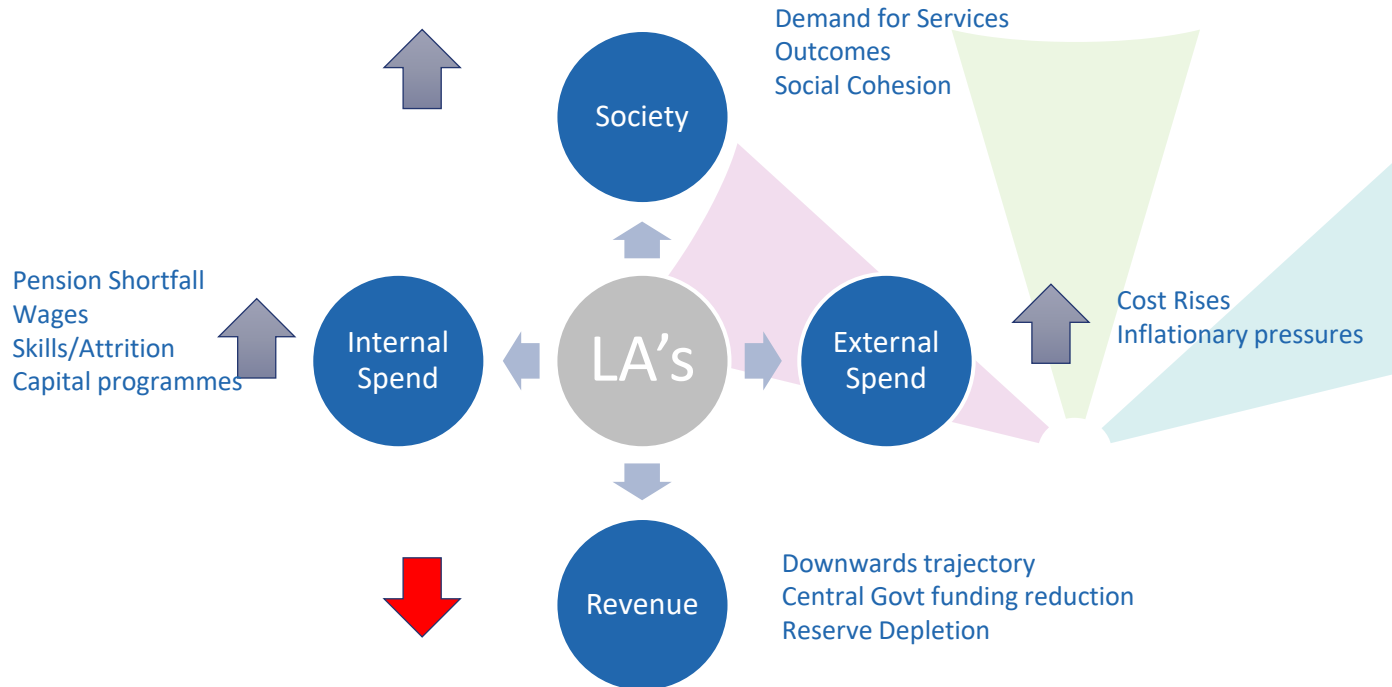
10th Geoeconomic confrontation

Source: World Economic Forum Global Risks Perception Survey 2021-2022

Risks critical threat timeline - Global



Economic	Environmental	Geopolitical	Social	Technological
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Risk Embedding



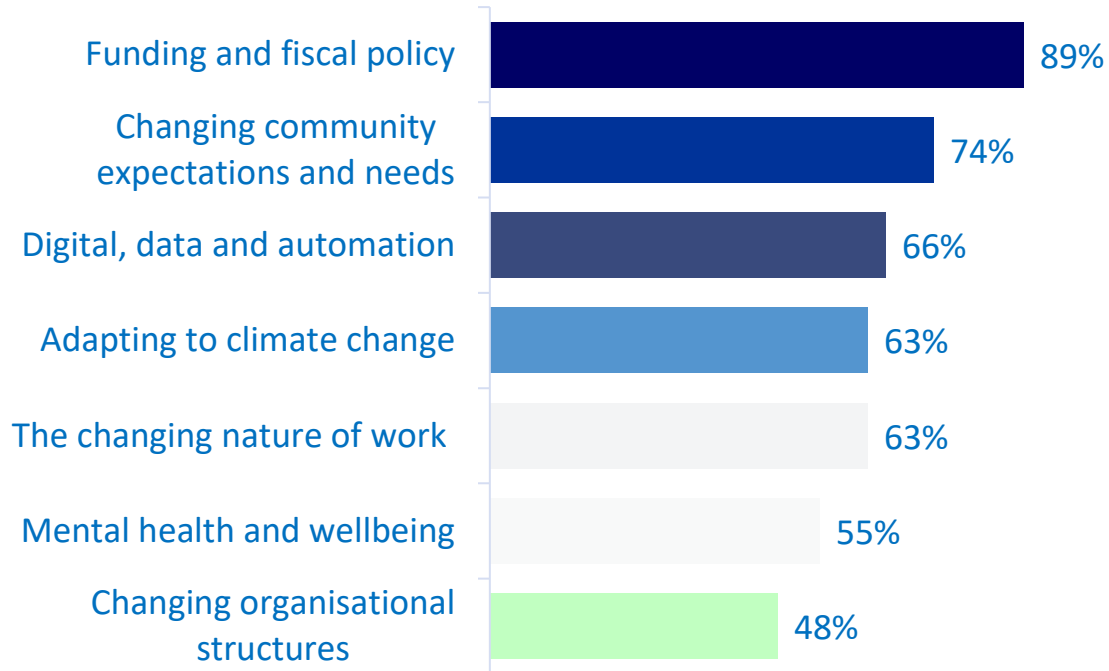
Risk Culture

What risks will pose a critical threat to your organisation in the next two years?

Amongst Local Government senior decision makers *'Funding and Fiscal policy'* is expected to have the biggest impact in the next five years



Q - How much impact, if at all, are the following likely to have on your organisation **in the next five years?**
(Very big impact & Substantial impact combined)



Local Government broadly aligns to other sectors except for 'Adapting to climate change' where for most other sectors it is the least impactful issue

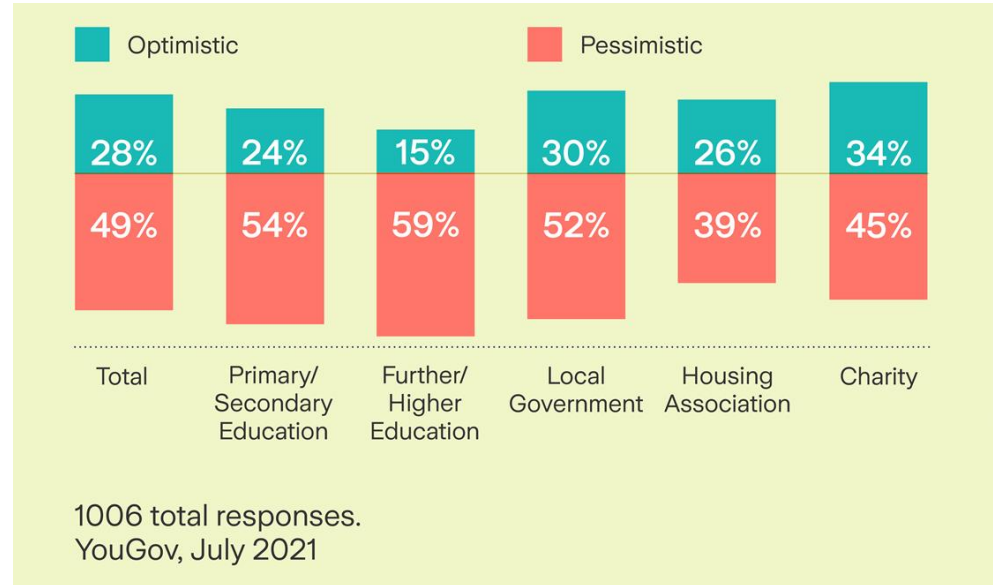


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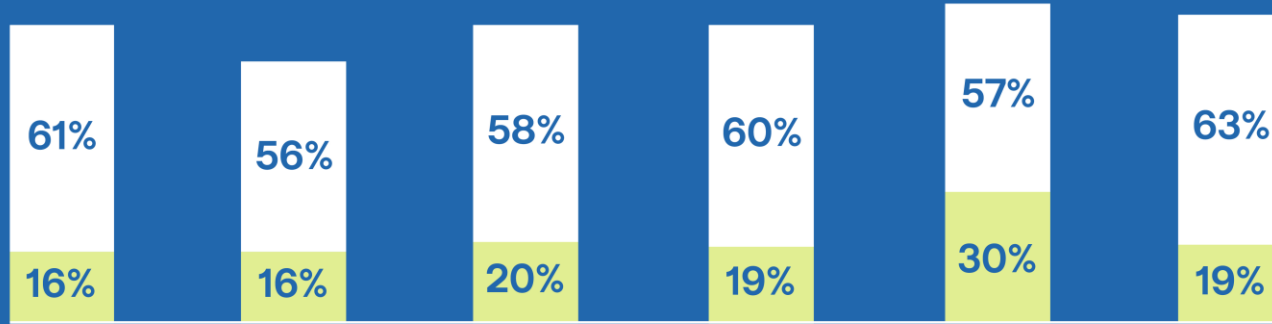
	Local Government	Overall	Primary / Secondary Education	Further / Higher Education	Charity	Housing Association
Funding and fiscal policy	89%	78%	85%	84%	72%	71%
Changing community expectations and needs	74%	63%	58%	55%	66%	73%
Digital, data and automation	66%	56%	48%	70%	47%	68%
Adapting to climate change	63%	34%	21%	44%	25%	82%
The changing nature of work	63%	55%	33%	69%	52%	68%
Mental health and wellbeing	55%	57%	73%	68%	52%	45%
Changing organisational structures	48%	43%	44%	42%	38%	36%

% impact

More people are *pessimistic* about the future than *optimistic*



Most respondents feel prepared to face future challenges



Overall

Primary/
Secondary
Education

Further/
Higher
Education

Local
Government

Housing
Association

Charity

Very Prepared

Slightly Prepared

987 total responses.
YouGov, July 2021

Emerging and evolving trends



Ageing and health



Consumer behaviour and digitization



Economic instability



Environment and Climate



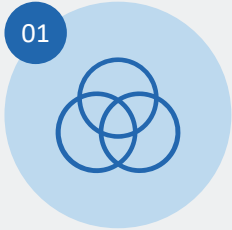
Shifting geopolitical landscape



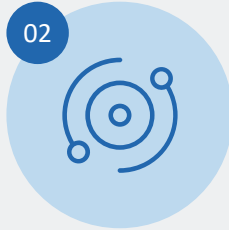
Technological developments



Urbanisation and social change



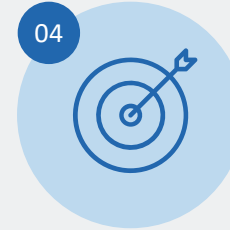
01
Ground analyses in delivery outcome: start not with specific risks but with the types of failure, damage and attrition that could compromise core business goals.



02
Appreciate vulnerabilities within the broader ecosystem: examine resilience to shortfalls, outages and delays of the 3rd party assets and services on which your organisation depend, and the tolerances of those who depend on you.



03
Embrace a diversity of resilience strategies.



04
Connect resilience efforts with other goals: many organisational ESG goals are shared with a broad-based resilience platform and would benefit from improved alignment.



05
Consider resilience to be a journey not a destination: organisations with leading resilience programs learn from stress-testing exercises and actual crises to emerge stronger, more supple and better prepared.

Key Takeaways



Ensure you have an effective, embedded risk culture – top down, middle management and all colleagues aligned and co-ordinated across the organisation.



Moving from reactive Business Continuity Planning to building organisational resilience encompassing a longer-term view of risk - horizon scanning.



Building effective long term, sustainable climate change action planning; appreciating financial pressures on budgets.

Thank you

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