

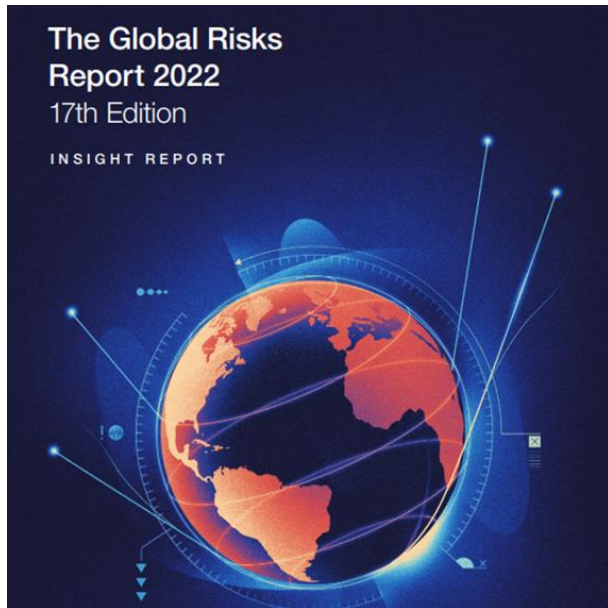
Rising to the Challenge: Global to Local

CIPFA South East
26th April 2022

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Risk Proposition Manager
Zurich Municipal



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 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

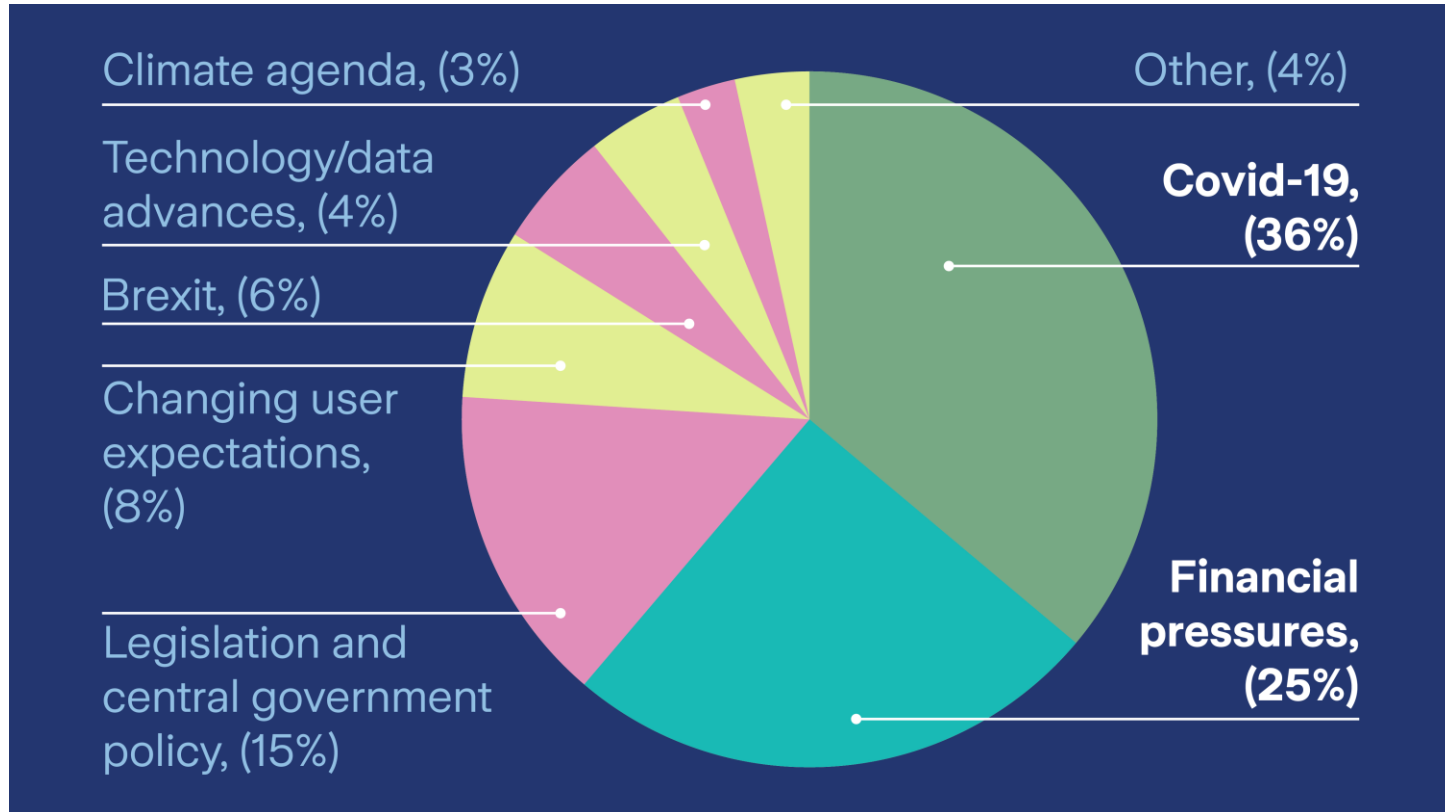
Environmental

Geopolitical

Social

Technological

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



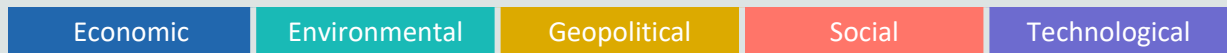
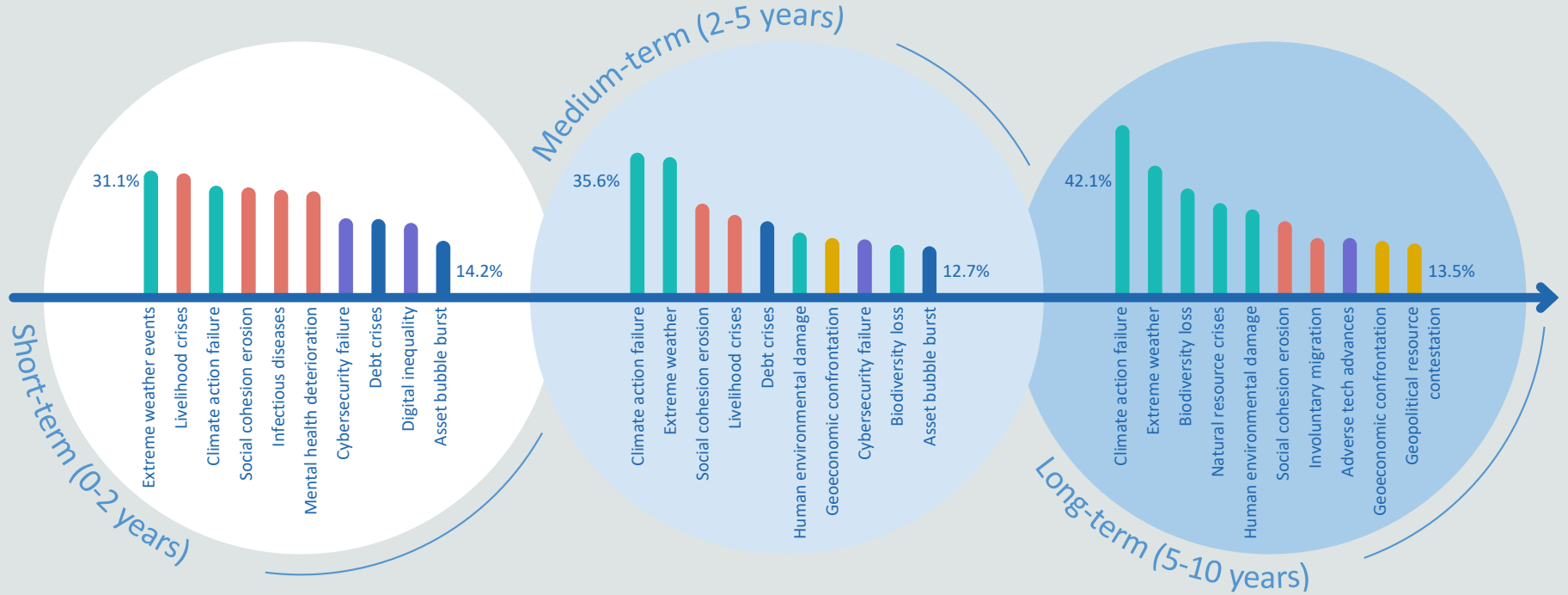
“Identify the most severe risks on a global scale over the next 10 years”

■ Economic
 ■ Environmental
 ■ Geopolitical
 ■ Societal
 ■ Technological



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

Risks critical threat timeline - Global



Top Five Risks for United Kingdom Identified by the Executive Opinion Survey – National Risk Perceptions



- What five risks will pose a critical threat to your country in the next two years?

For the United Kingdom, survey respondents ranked their top five risks as follows:

Risk 1 - Failure of cybersecurity measures

Risk 2 - Debt crises in large economies

Risk 3 - Prolonged economic stagnation

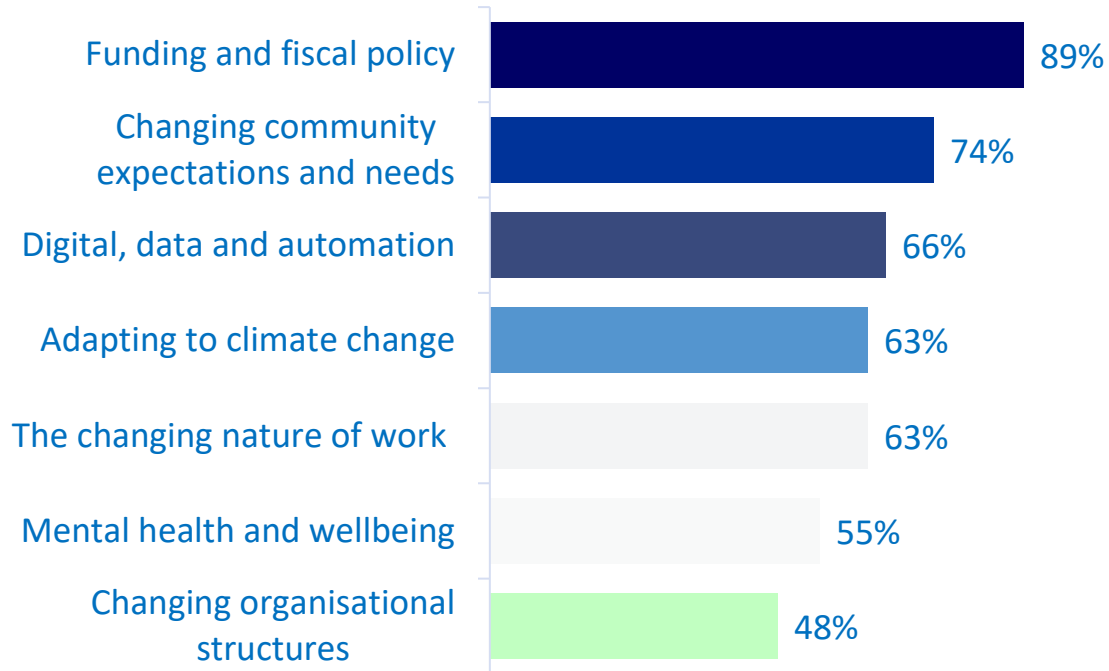
Risk 4 - Infectious diseases

Risk 5 - Extreme weather events

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

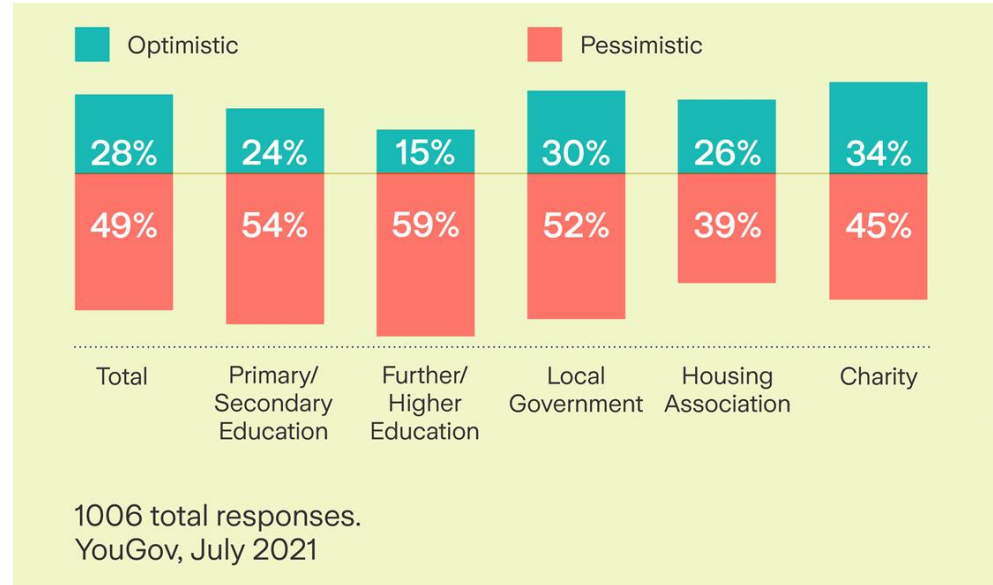


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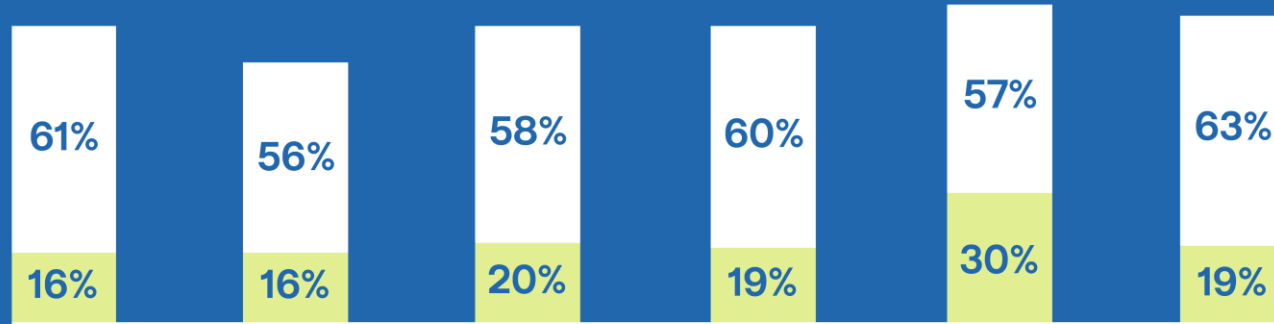
	Local Government	Overall	Primary / Secondary Education	Further / Higher Education	Charity	Housing Association
Funding and fiscal policy	89%	78%	85%	84%	72%	71%
Changing community expectations and needs	74%	63%	58%	55%	66%	73%
Digital, data and automation	66%	56%	48%	70%	47%	68%
Adapting to climate change	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

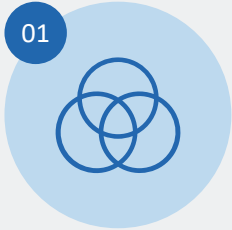
Very Prepared

Slightly Prepared

987 total responses.
YouGov, July 2021

Risk response and resilience

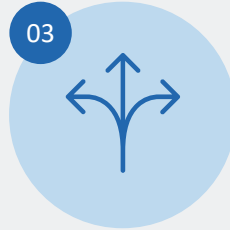
5 practical lessons to improve organisational practice for resilience



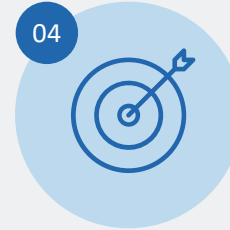
01
Ground analyses in delivery outcome: start not with specific risks but with the types of failure, damage and attrition that could compromise core business goals.



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.

Thank you

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