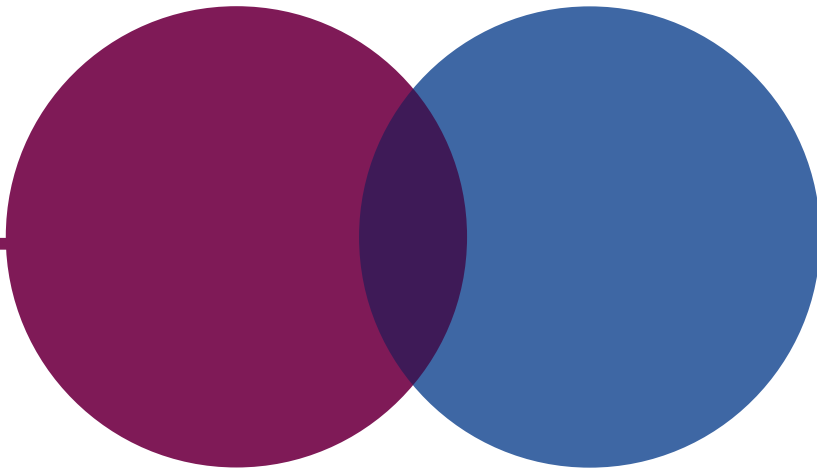




National Audit Office



The government's preparedness for the COVID-19 pandemic: lessons for government on risk management

Cross-government

REPORT

**by the Comptroller
and Auditor General**

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Summary

Introduction

1 The UK government and devolved administrations, along with the emergency services and other local responders, have clear responsibilities for identifying, assessing, preparing for and responding to emergencies, as well as supporting affected communities to recover. The government has risk management processes in place that aim to identify risks, to ensure that plans are drawn up to mitigate risks and prepare for shocks, and to prevent risks from being overlooked despite short-term pressures. Cabinet Office guidance states that preparedness is the preparation of plans that are flexible enough both to address known risks and to provide a starting point for handling unforeseen events.

2 The scale and nature of the COVID-19 pandemic and the government's response are without precedent in recent history. Many people have died, and many lives, families and businesses have been adversely affected. By the end of July 2021, the estimated lifetime cost of measures announced as part of the government's response was £370 billion. The pandemic has tested the government's plans to deal with unforeseen events and shocks, and demonstrated the risks that exist to which UK citizens are exposed. Like many other governments across the world, the UK government was underprepared for a pandemic like COVID-19. It will need to learn lessons from its preparations for and handling of whole-system risks, which will include making judgements on what level of preparations is appropriate.

3 Emergencies can take many forms, such as natural disasters, terrorist attacks, industrial accidents, critical supply chain disruptions or disease outbreaks. These emergencies can have widespread impacts, such as fatalities and serious disruption to people's lives and the national economy. Emergencies, or the risk of emergencies, can originate inside or outside the UK, exacerbate the likelihood or impact of other risks, and be felt locally, nationally or globally. In the UK, recent emergencies include the London and Manchester terrorist attacks, the 'Beast from the East' winter storm, serious flooding incidents and the COVID-19 pandemic.

4 The Cabinet Office, through its Civil Contingencies Secretariat (CCS), is responsible for coordinating the government's planning for, and response to, major emergencies. Individual departments and other public sector organisations are responsible for identifying and managing risks in line with their desired risk appetite, including relevant national risks allocated to them by the Cabinet Office. For example, the Department of Health & Social Care is responsible for planning for the health and social care impacts of health-related risks. All departments are responsible for planning for emergencies that would have significant consequences in their areas of remit.

Scope of this report

5 This report sets out the facts on:

- the government's approach to risk management and emergency planning (Part One);
- the actions the government took to identify the risk of a pandemic like COVID-19 (Part Two);
- the actions the government took to prepare for a pandemic like COVID-19 (Part Three); and
- recent developments (Part Four).

6 The report sets out central government's risk analysis, planning, and mitigation strategies prior to the arrival of the COVID-19 pandemic, with the aim of drawing out wider learning for the government's overall risk management approach. It does not cover local-level risk planning, wider aspects of resilience planning or top-level disaster response procedures. It also does not cover the government's response to COVID-19 or how prepared it was for subsequent waves of the pandemic. Appendix One sets out our audit approach and provides more details on the report's coverage.

Key findings

Government's risk management

7 The UK government has had a national-level risk assessment in place since 2005. It assesses the most serious risks facing the UK or its interests overseas over the next two years via the National Security Risk Assessment (the Assessment). This is a classified document that contains around 120 risks and is summarised in a public-facing version, the National Risk Register (the Register). Both documents are updated regularly. Before the pandemic, in a 2019 report on the government's risk assessment process, the Parliamentary Office of Science and Technology noted that the UK was regarded as a leader in risk assessment. In 2020, the Cabinet Office told a House of Lords committee that the Assessment's methodology had been adopted by many countries (paragraphs 1.4 to 1.6, 2.12 and Figure 1).

8 Since before the pandemic, stakeholders have identified areas for improvement in the government's approach to risk assessment. The Cabinet Office regards the Assessment primarily as an operational tool to help emergency planners to prepare for civil emergencies and malicious attacks. The Assessment therefore focuses on a two-year horizon and a single scenario for each risk (the reasonable worst-case scenario) to make it easier to develop detailed emergency plans. Stakeholders, including academics, the Chief Scientific Advisers' network and the Parliamentary Office of Science and Technology, have identified several ways in which this approach might be improved, including:

- that it does not sufficiently explore high-uncertainty risks (where estimating the likelihood is difficult), risks that may materialise beyond the Assessment's two-year timeframe, and the impact that multiple risk events would have if they took place at the same time;
- that it might be beneficial to consider more than one scenario in risk assessments;
- how interdependencies between risks are assessed and presented;
- that the focus on causes of adverse events has not been matched by a sufficiently robust assessment of their systemic effects;
- the need for a cross-government view of risks to understand the knock-on effects on other parts of the system, given that risks are built up from individual departments, and to stop risks falling through the cracks between departments; and
- better communication of risks and contingency plans to local responders (paragraphs 2.12 and 2.13).

9 The Cabinet Office is reviewing aspects of the methodology that it uses to assess risks to the UK. It stated that it reviews its methodology as part of its regular cycle of updating the Assessment and Register. It also told us that the current review goes into greater depth than previous reviews and considers all the issues identified in paragraph 8. The review covers the Assessment's time horizon; the types of risks the Assessment should include; whether it would be helpful to set out multiple scenarios, rather than just the reasonable worst-case scenario; how to measure the likelihood and impact of risks; how to account for interdependencies between risks; how to visualise, present and communicate risks; how to use external inputs better; and the operating model of the Assessment, including its physical format and how frequently it is produced (paragraph 2.14).

10 A recent review of risk management across departments by the Government Internal Audit Agency found scope for improvement by reducing variation.

The review noted that risk practices have improved over time across government and that organisations are placing increased importance on the contributions of their risk functions. The review highlighted variability in senior leadership support and promotion of risk management, including at board and executive levels; capacity and engagement in relation to risk management; approaches and frequency in undertaking horizon scanning exercises; and alignment to the Orange Book, which sets out the government's mandatory requirements and guidance on risk management. A review commissioned by the Cabinet Office recommended that a cross-government risk management profession with certification and training should be established. The government accepted the recommendation, and HM Treasury has begun work on implementation (paragraphs 2.15 and 4.2).

Identifying the risk of a pandemic like COVID-19

11 Since 2008, the Register has identified an influenza pandemic as the UK's top non-malicious risk and an emerging infectious disease as one of the most significant risks. The 2017 Register highlighted the difficulty in forecasting the spread and impact of a new influenza strain or disease until it starts circulating, but noted that the consequences may include, for an influenza pandemic: up to half of the UK population experiencing symptoms, potentially leading to between 20,000 and 750,000 fatalities and high levels of absence from work; and, for emerging infectious diseases (such as Ebola at the start of the 2004–2006 outbreak in West Africa): several thousand people experiencing symptoms, potentially leading to up to 100 fatalities (paragraphs 2.2 to 2.5).

12 Prior to the pandemic, the Department of Health & Social Care had identified a pandemic as a significant risk to its operations or policy delivery responsibilities, while other departments identified risks relating to possible consequences or impacts of a pandemic. The Department of Health & Social Care identified a specific risk relating to a pandemic or infectious disease as a top-level risk. Five other departments identified broader risks relating to external threats or lack of resilience, which encompass a pandemic, among other scenarios. The remaining departments identified risks that capture some consequences or impacts of a pandemic, such as economic slowdown, funding shortfalls, impacts on operational performance, staff well-being and supplier failure (paragraph 2.7 and Figure 4).

13 At the local level, all community risk registers had identified an influenza pandemic as a significant risk prior to the pandemic. Multi-agency groups, known as 'local resilience forums', are responsible for local-level emergency planning, including compiling community risk registers. All 38 forums covering England had identified an influenza pandemic as a significant risk that could affect their local communities in their community risk registers. In addition, 17 had identified emerging infectious diseases as a significant risk (paragraph 2.11 and Figure 5).

Preparations for a pandemic like COVID-19

14 The government prioritised preparedness for two specific viral risks that it considered most likely and some preparations for these risks were adapted to the COVID-19 response. The UK government made preparations for an influenza pandemic and for an emerging high-consequence infectious disease. The latter is a very infectious disease that typically causes the death of a high proportion of the individuals who contract it, or has the ability to spread rapidly, with few or no treatment options, like Ebola and the Middle East respiratory syndrome (MERS). This meant that the government did not develop a specific pandemic preparedness plan for a disease with characteristics like COVID-19, which has an overall lower mortality rate than Ebola or MERS and widespread asymptomatic community transmission. The Cabinet Office told us that scientists considered such a disease less likely than a pandemic influenza or a high-consequence infectious disease. However, some mitigations in place were used – for example, the personal protective equipment stockpile. Many other countries had also prepared for an influenza pandemic rather than another type of pandemic (paragraphs 3.2 to 3.5, 3.8, 3.9 and 3.21).

15 The government was not fully prepared for the wide-ranging impacts that this pandemic had on society, the economy and essential public services. The 2019 Assessment recognised that an influenza-type pandemic could have extensive non-health impacts, including on communications, education, energy supplies, finance, food supplies and transport services. The government lacked detailed plans for several aspects of its response to COVID-19, including shielding, employment support schemes and managing the disruption to schooling (paragraph 3.12).

16 Prior to the pandemic, the government did not explicitly agree what level of risk it was willing to accept for an event like COVID-19. While departments set their risk appetite in response to the pandemic, we did not see evidence that, before the onset of COVID-19, the government had reached a consensus on its overall risk appetite in relation to a pandemic by explicitly accepting a specific level of residual risk. The Cabinet Office told us that, as the pandemic started, the government's risk appetite changed, and it lowered the threshold for the health and societal impacts of the pandemic that it deemed acceptable (paragraph 3.7).

17 A cross-government review of pandemic planning arrangements found that most plans were inadequate to meet the demands of any actual incident.

A review of pandemic planning arrangements, carried out by a cross-government working group in February and March 2020, rated 82% of plans as being unable to meet the demands of any actual incident. There is limited oversight of plans or assurance that they are effective and up to date. For example, the CCS does not have the remit to carry out formal assurance work over lead departments' plans for emergency preparedness and response. Its officials told us that it brings pressure to bear on departments if it thinks risks are not dealt with properly. The then Ministry of Housing, Communities & Local Government told us that, while its liaison officers support and challenge local resilience forums, their role is obtaining reassurance rather than formal assurance over local resilience forums' readiness for emergencies (paragraphs 3.13 to 3.15).

18 Prior to the pandemic, the government did not act upon some warnings about the UK's lack of preparedness from its past pandemic simulations. The government has taken forward many lessons learned from actual incidents and simulation exercises. For instance, it revised pandemic plans following Exercise Winter Willow and it prepared a draft Pandemic Influenza Bill, which was the basis for the Coronavirus Act, following Exercise Cygnus (2016). Other lessons were not fully implemented. Exercise Winter Willow, a large-scale pandemic simulation exercise carried out in 2007, warned that organisations needed to ensure that their business continuity plans were better coordinated with those of their partner organisations, but this was not evident in most plans we reviewed. The government's own review of pandemic plans in place at the start of the COVID-19 pandemic found that only 12% of the plans (9 out of 76) mostly or fully considered mitigating actions for the loss of suppliers or delivery partners (paragraphs 3.18 to 3.20 and Figure 8).

19 Preparations for EU Exit had significant benefits in responding to the pandemic but diverted resources from other risk and contingency planning. Government officials stated that preparations for EU Exit enhanced the crisis capabilities of some departments and that the government was able to apply lessons it had learned about central coordination of an area of risk (EU Exit) when responding to the pandemic. However, major risk planning for EU Exit contingencies across the civil service took up significant time and resources and meant that the government paused work on other emergency preparations. For example, the CCS allocated 56 of its 94 full-time equivalent staff to prepare for potential disruptions from a no-deal exit, limiting its ability to focus on other risk and contingency planning at the same time. This raises a challenge for the government as to whether it has the capacity to deal with multiple emergencies or shocks (paragraphs 3.16 and 3.17).

Conclusion

20 This pandemic has exposed a vulnerability to whole-system emergencies – that is, emergencies that are so broad that they engage the entire system. Although the government had plans for an influenza pandemic, it did not have detailed plans for many non-health consequences and some health consequences of a pandemic like COVID-19. There were lessons from previous simulation exercises that were not fully implemented and would have helped prepare for a pandemic like COVID-19. There was limited oversight and assurance of plans in place, and many pre-pandemic plans were not adequate. In addition, there is variation in capacity, capability and maturity of risk management across government departments.

21 The pandemic has highlighted the need to strengthen the government's end-to-end risk management process to ensure that it addresses all significant risks, including interdependent and systemic risks. This will require collaboration on risk identification and management not only across government departments and local authorities, but also with the private sector and internationally. For whole-system risks the government needs to define its risk appetite to make informed decisions and prepare appropriately so that value for money can be protected. The pandemic has also highlighted the need to strengthen national resilience to prepare for any future events of this scale, and the challenges the government faces in balancing the need to prepare for future events while dealing with day-to-day issues and current events.

Recommendations

22 The government has already started to think about addressing many of these issues – for example, through its National Resilience Strategy, and our recommendations aim to support the government's learning from the pandemic on risk management and preparedness:

- a The Cabinet Office should establish who leads and manages whole-system risks.** Working with other departments, it should clarify and publicise the government's risk appetite for whole-system emergencies as a basis for proportionate planning across government for these types of risk event.
- b The Cabinet Office should support government departments to take stock of how funding for risk management and national resilience is prioritised and managed.** There should be deliberate consideration of the investment required to ensure that risk management and national resilience have an appropriate level of funding and resourcing compared with other national and departmental priorities, at both departmental and central government levels.
- c The Cabinet Office should work with government departments to ensure that their risk management, business continuity and emergency planning are more comprehensive, holistic and integrated.** This involves ensuring that the government can rely on timely and good-quality data in the event of a major emergency; improving coordination and information sharing between the CCS and risk managers in departments; applying best practice in risk management, horizon scanning, stress-testing and business continuity and emergency planning; collaborating both internationally and with the private sector to identify and manage cross-economy risks and global interdependencies; and considering what broader aspects of national resilience need to be strengthened to ensure that the residual risk is in line with the government's risk tolerance.
- d The Cabinet Office should strengthen oversight and assurance arrangements over preparations for system-wide emergencies.** These should include publishing standards against which lead government departments, supporting departments and other public sector organisations can assess their level of preparedness for major emergencies, developing external assurance processes to assess, on a regular basis, whether there are adequate preparations in place that meet those standards and can be activated rapidly in the event of an emergency, and ensuring that all departments that are involved in the response to whole-system or catastrophic risks have coordinated plans that cover the whole range of societal and wider impacts.

- e **The Cabinet Office and other government departments should ensure that lessons from simulation exercises are communicated and embedded across government.** Simulation exercises are an effective way to spend resources to improve the management of low-probability high-impact risks, but lessons learned must be promptly disseminated and implemented to achieve value from undertaking these exercises.
- f **The Cabinet Office and HM Treasury should support departments to reduce variation in capacity, capability and maturity of risk management, emergency planning and business continuity across government departments.** This should include providing advice on strengthening leadership of risk management, business continuity and disaster recovery; the basic level of capability needed in each department; and plans to address any gaps.