



Leicester  
City Council

WARDS AFFECTED: ALL

Audit and Risk Committee

31 March 2015

---

## Risk Management and Insurance Services Update Report

---

### Report of the Director of Finance

#### 1. Purpose of Report

To provide the Committee with the regular update on the work of the Council's Risk Management and Insurance Services team's activities.

#### 2. Summary

The Committee has agreed a reporting schedule to keep it informed of:-

- Risk management activity within the Council;
- Information about the work of the Council's Risk Management and Insurance Services (RMIS) team; and,
- Information about other on-going initiatives in the Council to control risks it faces in the delivery of its services.

#### 3. Recommendations

The Committee is recommended to:

- 3.1 Receive the Report and note its contents.
- 3.2 Make any recommendations or comments it sees fit either to the Executive or Director of Finance.

#### 4. Report

4.1 The Risk Management and Insurance Services team have responsibility for three critical functions:

- Risk Management Support and Advice;
- Insurance; and
- Business Continuity Support and Advice.

- 4.2 This report provides an update, in the previously agreed format, on work carried out by the RMIS team since the last meeting, reporting to you progress made against their objectives. It assures you, where possible, that risks within the business continue to be managed effectively.

#### 4.2.1 Risk Management Support and Advice

The Council maintains a Strategic Risk Register and an Operational Risk Register. These registers contain the most significant unmitigated risks which the Council is managing and they are owned by Strategic and Divisional Directors respectively. Whilst there are other key risks, in the view of Directors, these are sufficiently mitigated for them not to appear in these registers.

The Risk Registers as at the 31 January are presented here – Strategic Risk Register – Appendix 1 and Operational Risk Register – Appendix 2. The submission of the Divisional risk registers to RMIS was, once again, 100%, with a total of 42 changes across the 15 Divisional registers. There are no changes of note from either register to bring to the Committee's attention.

The 2015 RMIS training programme, the aim of which is helping staff to understand and manage their risks more effectively, was launched to the business on 29 October 2014. The training sessions (an annual programme of events running since January 2011) continue to be supported by the business areas, with any falling attendances being brought to the attention of the Strategic and Divisional Directors by the Head of Internal Audit and Risk Management. The Directors have, and continue to, fully support the work of the team.

Following a letter from the Coroner following an inquest, in which there was a request to refresh our risk management processes with staff in Housing, the Division have responded positively and five half day training sessions covering 175 operatives have been arranged.

#### 4.2.2 Insurance and Claims

A summary report of claims against the Council received in the period 1 April 2014 to 31 January 2015 is attached - Appendix 3. The appendix shows both successful and repudiated claims, breaking these down into business areas and type of claim i.e. slips and trips, potholes etc. Members should remember that one claim may be reported in more than one policy category – for example a Motor claim may also have a Personal Injury or Public Liability claim too, and that for new claims a value may not have been applied whilst initial investigations conclude.

The figures in brackets represent claims in those areas in the same period last year. The year on year figures continue to fall (year on year down 15%) and show the benefits of handling these claims in-house as fewer are being paid and those that are paid are being settled, on the whole, at lower levels and much quicker – hence avoiding inflated Legal fees.

Since the last report to the Committee, the Council has had two cases go to Court. Both cases found in our favour and allowed return to reserves of £45,000 and £26,500 respectively.

Loss Reduction Fund – In the period 1 April 2014 to 31 January 2015 RMIS received 47 bids for assistance from the fund for a total of £346,088.58. Of these bids, 22 applications were approved and the fund provided an amount of £168,206.47 to business areas. In addition, there are 7 bids for a total of £50,952.54 currently held awaiting further information.

#### **4.2.3 Business Continuity/Emergency Planning updates**

Since the last update report for the Committee there have been two significant events affecting the Council, although neither required formal intervention by the Corporate Business Continuity team.

On the 21 January the Customer Service Centre suffered a power loss. The cause was in the external supply and, after speaking to Western Power to prioritise their response, we were fortunate that the power was restored around 9.27 am, just before the opening time of 9.30 – so no loss of service resulted.

Members will be aware that the final stage of the demolition of New Walk Centre took place on the 22 February. The Control Room was open in City Hall and was managed by the Resilience Manager and the Head of Internal Audit and Risk Management. Relevant staff from other areas of the Council provided cover in the event that things had not run to plan. We decided, on the grounds of Health and Safety, to leave Phoenix House closed on the Monday morning as there were concerns that their fire exit route would be unsafe. This was all resolved on the Monday and the building resumed normal service provision on Tuesday. There was no loss of service on the Monday, as all services operating within the 'exclusion zone' had been contacted by the Head of Internal Audit and Risk Management the week before to ensure they had resilience and recovery plans in place. These worked reasonably well, all be it with a few, minor lessons to be learned.

#### **4.2.4 Key Risk Issues arising within the Business**

The key significant risk issues arising within the business remain as reported to the last meeting of this Committee. Those surrounding the trade unions' potential for, and actual, industrial action across areas of the public sector remain and the risk of bad weather causing disruption to service delivery.

The two main teaching unions (NUT and NASUWT) had agreed 'action short of strike action' on 3 October 2012. NUT members took strike action on 26 March and both Unions held a further strike (with much of the rest of the Public Sector) on the 10 July. Although the 'action short of a strike' continues, the threatened full strike before Christmas did not materialise.

The Fire Brigades Union have held a series of strikes and 'actions short of a strike' since September 2013. These have been a mixture of discontinuous actions and full strike action. The latest phase was an increase in 'stoppage of service' time when strike action was planned to run from 7am on 25 February to 7am on the 26 February. The Council's Emergency Management and Business Continuity teams continue to brief all relevant areas of the business and there have been no significant matters arising during the stoppages. The Head of Internal Audit and Risk Management continues to provide Directors and Heads of Service with updates from the Local Resilience Forum/Fire Service as they are received.

The Head of Internal Audit and Risk Management continues to Chair meetings of the Leicestershire Multi-Agency Business Continuity Group (the Leicester and Leicestershire regional business continuity network group) where the risks for group members arising from any strike action, and the group member's response to deal with these incidents, are reviewed. He shall, again, co-ordinate the Council's response with the support of the Chief Operating Officer.

Critical areas considered most at risk of disruption remain – schools – because of the impact on LRF partners and their staff if they fail to open; highways – emergency repairs and response to adverse weather conditions; and, housing – emergency repairs and maintenance.

#### **4.2.5 Horizon Scanning – events in other Public Sector agencies and the Private sector that may impact upon the Council.**

On the 4 February the department for Communities and Local Government issued the 'Report of the inspection Rotherham metropolitan borough council by Louise Casey CB'. The report was laid in Parliament on 4 February 2015, and announced by the Secretary of State in an oral statement to Parliament. In September 2014 when the report was commissioned by the

Secretary of State for Communities and Local Government, a verbal report was given to this Committee on how Leicester City Council were managing this type of risk – the sexual exploitation of children and young persons. The RMIS team are now reviewing the report's findings and recommendations with our children's safeguarding teams to ensure that there is nothing coming from the report that is not reflected in their procedures.

Staying with Education and Children's Services, members will be aware of the changes to the portfolio holders at both Strategic and Executive level following the recent Ofsted visit. The formal report is still to be issued and RMIS will also look at the findings and recommendations with the Divisional teams, to ensure all risks are mitigated and managed appropriately.

A report published by the Department for Innovation and Skills on the 24 February 'named and shamed' a further 70 employers that failed to pay their staff the National Minimum Wage. This brought the overall total named by the Department to 162 since the new naming regime came into force in October 2013. The Committee will be aware that the Council recently became an 'Accredited Living Wage Employer'.

The Public Accounts Committee stated in Parliament on the 25 February that there had been 'very little progress' on the Universal Credit Scheme. They said that fewer than 18,000 were claiming the benefit by October 2014, despite predictions that 7M people would be claiming by 2019. The Committee may be aware that Universal Credit will begin to be rolled out in Leicester from January 2016.

The Head of Internal Audit and Risk Management will continue to send to and/or discuss with relevant managers and directors any issues and the potential impacts they may have on the Council.

## **5. Financial, Legal Implications**

There are no direct financial or additional legal implications arising from this report. These implications will rest within (and be reported by) the business areas that have day-to-day responsibility for managing their risk.

## 6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Risk Management	Yes	All of the paper.

## 7. Report Author/Officer to contact:

Tony Edeson, Head of Internal Audit and Risk Management, Financial Services - Ext 37 1621

18 March 2015