



Leicester
City Council

WARDS AFFECTED: ALL

Audit and Risk Committee

1 July 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 30 April 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 13 changes within the Strategic Risk Register and 34 changes across the 15 Divisional registers that make up the Operational Risk Register. There are no changes of note from either register to bring to the Committee's attention. For the benefit of members, the risk scoring chart is attached as Appendix 3.

Within the next few weeks a review of the Council's Operational and Strategic registers will take place by the Risk Management team with responsible Strategic Directors. This will be a 'sense check' of risks being reported to ensure that descriptions allow the 'uninitiated' to know what the risk actually is; to ensure risks are not over scored; and this will also result in a re-ordering of how the risks are reported. In future, risks will be reported in Strategic groups; then alphabetically by Division with the highest scoring risk reported first. Directors will be sent all registers that require clarity or amendments before the next submission is due at the end of October.

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 delivered.

The Committee may recall that the Head of Internal Audit and Risk Management won the coveted award of ALARM – The Public Sector Risk Management Group last June. Part of this award was sponsorship by ALARM to attend the PRIMA International Risk Management Conference in Houston, Texas. This event took place in the week commencing 8 June and the Head of Internal Audit and Risk Management made a short speech as part of the opening ceremony and delivered a presentation on how he has helped deliver an ISO31000 (the International standard for Risk Management) compliant Enterprise Risk Management process here at Leicester city Council.

It was interesting to note that of the 1700 attendees at the conference from the USA, Australia and Africa, the only other entity with such a compliant process was NASA – the American National Space Agency. 24 US states have subsequently been in touch for more information on our process, forms and supporting training documentation. The same presentation is to be presented by the Head of Internal Audit and Risk Management at the ALARM Education Forum on the 22 June.

4.2.2 Insurance and Claims

A summary report of claims against the Council received in the period 1 April 2014 to 31 March 2015 is attached - Appendix 3 and claims for the current year, 1 April 2015 to 31 May is attached as Appendix 4. This 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 (down 18%) 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 (year on year – and this is not a scientific comparison- we paid out £870 less than in the same two months last year).

Since the last report to the Committee, the Council has had no cases go to Court.

Loss Reduction Fund – In the period 1 April 2014 to 31 March 2015 RMIS received 52 bids for assistance from the fund for a total of £424,426.58. Of these bids, 25 applications were approved and the fund provided an amount of £175,515.47 to business areas. In addition, there are 8 bids for a total of £104,637.54 currently held awaiting further information. For the benefit of new members, the Loss Reduction Fund is a sum of money that Risk Management and Insurance Services (RMIS) make available to the business areas to help with unforeseeable events that occur that may, if left untreated, lead to losses for the Council or injuries to staff or members of the public. The business areas may bid for up to £15,000 per case and, if successful, must submit a report to RMIS detailing the benefits seen from the use of these funds. The General Insurance fund provides this cash, as the intention is that by spending these small amounts a large claim will be prevented.

4.2.3 Business Continuity/Emergency Planning updates

Since the last update report for the Committee there have been no significant events affecting the Council that required formal intervention by the Corporate Business Continuity team.

On the 19 May the Risk Management team supported by colleagues from the Emergency Planning team ran 'Exercise Janus'. This event was the first, formal joint training exercise run by the two teams. We had over 50 attendees, mainly Directors and Heads of Service, along with representatives from the Police, Fire and Ambulance services and colleagues from neighbouring local authorities. The exercise was a resounding success with very positive feedback. This will now become an annual event and members will be invited to observe the next session.

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.

There had also been planned strikes by the unions representing rail staff. This had the potential for impact on both the Council and the City. On each occasion, even though formal agreement

has still not been reached, the planned industrial action was cancelled.

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.

Early in April, a report by Savills and the Home Builders Federation said that up to 75% of local planning authorities would not have a charging scheme for developers in place by April 6. The impact of this would be that Councils will have to use the community infrastructure levy to raise money from developers to fund local infrastructure projects. The Head of Planning here at Leicester City Council had submitted a report to the City Mayor in March to ensure that we hit this deadline.

Again in early April there was a Supreme Court ruling affecting Council's ability to house people away from their local area. Discussions with the Director for Housing and her team have shown this to be mainly a London problem. Leicester City Council have not got anyone paced in housing outside of the City boundaries, although we did have, at the end of March, at least two families living in Leicester that were placed here by London Boroughs.

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:

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