



Leicester
City Council

WARDS AFFECTED: ALL

Audit and Risk Committee

2 December 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. 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 July were presented to the last meeting of this Committee and those as at the 31 October, due to timings for this meeting and scheduling of reporting to Corporate Management team, will be presented to the Committee's meeting in February.

The 2015 RMIS training programme, the aim of which is helping staff to understand and manage their risks more effectively, delivered the planned 15 sessions plus an extra 25 ad hoc sessions to departmental staff. Around 930 staff attended these sessions in total.

The 'Identifying and Assessing Operational Risk' course (26 separate sessions) alone attracted 658 staff since the Chief Operating Officer made this course mandatory in October 2014. Based on the cost of attending an ISO31000 compliant risk management training session in Birmingham, those sessions alone 'saved' the Council £329,000 in external training costs.

The 2016 RMIS training programme will be launched to the business on later this month. 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. For the benefit of members the planned programme is attached as Appendix 1.

4.2.2 Insurance and Claims

A summary report of claims against the Council received in the current financial year, 1 April to 31 October 2015 is attached as Appendix 2. 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 the downward trend seen over the past few years, this time being down 1%. We still feel that there are 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 one case go to Court, with a further claim discontinued during the litigation process. The Court case was successfully defended with our solicitors praising the highways officer for his hard work and diligence in securing the evidence required. This allowed us to return £100,000 to reserves. In the withdrawn claim, we were able to return a further £33,500 to reserves.

Loss Reduction Fund – For the period 1 April 2015 to 31 October 2015 RMIS received 13 bids for assistance from the fund for a total of £76,843. Of these bids, 4 applications were approved and the fund provided an amount of £10,443 to business areas. In addition, there are 8 bids for a total of £62,276 currently held awaiting further information.

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.

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 adverse weather conditions causing disruption to service delivery.

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.

The 2015 CIPFA (Chartered Institute of Public Finance and Accountancy) and ALARM - the Public Risk Management Association Risk Management Benchmarking results have been issued and are enclosed (in draft) as Appendix 3. The Committee may recall that LCC has taken part in the benchmarking exercise every year since it began in 2010.

This year’s report (regrettably, as last year, it has not been possible to get a ‘short’ version of this report) shows that in the seven assessed areas the Council has been rated higher than last year in three of those areas (remembering that in three of those areas we had reached the highest level). The Council has now achieved the highest rating in four areas compared to three last year.

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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6 November 2015