



Leicester
City Council

WARDS AFFECTED: ALL

Audit and Risk Committee

23 March 2016

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

- 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 2016 are presented here – Strategic Risk Register – Appendix 1 and Operational Risk Register – Appendix 2. For the benefit of members, the risk scoring chart is attached as Appendix 3.

The submission of risk registers to RMIS was, once again, 100%, with a total of four changes within the Strategic Risk Register and 46 changes across the 13 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.

The review of the Council's Operational and Strategic registers by the Risk Management team with responsible Strategic Directors has been delayed and will begin in 2016 when the recruitment of a Risk Management Officer concludes. This work will be a 'sense check' of risks being reported to ensure that descriptions allow the 'uninitiated' to know what the risk actually is and to ensure risks are not over scored. Directors whose registers are affected will be sent those registers that require clarity or amendments. It is planned that this work will conclude before the submissions due at the end of October 2016.

The 2016 RMIS training programme, the aim of which is helping staff to understand and manage their risks more effectively, was launched to the business in December 2015. 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.

4.2.2 Insurance and Claims

A summary report of claims against the Council received in the current financial year, 1 April to 29 February 2016 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. These figures, whilst slightly up in numbers by 4%, have seen the amounts paid out fall significantly when compared with the same period last year. We continue to see the benefits of handling these claims in-house as, generally, 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.

Following the discussion around fleet claims at the last meeting of the Committee, it may be helpful for members to be aware of a Fleet Forum set up by the Council (which the Insurance Team attend) that has, so far:

- Established a working group to investigate accident rates and types;
- Rolled out a driver training video (with the support of a grant from the Loss reduction Fund);
- Produced a 'Drivers Handbook';
- Making manager's more aware of their responsibilities and the disciplinary options available to them;
- Investigating the use of trackers and 'dash cams'.

Since the last report to the Committee, the Council has had no cases go to Court. However, a long protracted claim file was closed following negotiated settlement at a figure some £77,000 below the reserve.

Loss Reduction Fund – For the period 1 April 2015 to 29 February 2016 RMIS received 25 bids for assistance from the fund for a total of £153,958. Of these bids, 14 applications were approved and the fund provided an amount of £72,832 to business areas. In addition, there are 8 bids for a total of £44,308 currently held awaiting further information.

4.2.3 Business Continuity/Emergency Planning updates

Since the last update report for the Committee there have been some significant events affecting the Council that required formal intervention by the Corporate Business Continuity team.

The team were consulted when the Central Library had to be closed following an overnight incident involving the fall from height of a concrete block. Guidance from the Corporate Plan around building closure was provided.

Whilst the on-call duty senior manager was called about a flood at a block of flats, there was no need to mobilise any Council support as it was quickly established that the block was privately owned; contained no vulnerable groups of people; and there were no people requiring evacuation or overnight shelter.

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 Business Continuity Institute (BCI) released its fifth Horizon Scan report on 11 February. This is the association's annual analysis of the top threats as perceived by around 600 business continuity managers across the globe. The report shows cyber attack as the greatest concern (85% of respondents), followed by data breach (80%) and supply chain disruption (77%).

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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