

# **Risk Management**

## **Quarterly Report**

**July - September 2004**

# Key Issues

## National

- CIPFA have produced a guidance document on the statement of internal control a proposed sequence of reporting in the form of a flow chart is included within this report. The draft report to Management Board refers (discussed at corporate board in September)
- Recent Court Cases include:
  - \*The Court of Appeal reinforces the law on occupier's liability, confirming that there is no duty on an occupier to warn of obvious dangers. Liability is unlikely to be imposed on an occupier where injury is caused by a person taking obvious risks.
  - \*In unfair dismissal cases, an employee is not entitled to an award for non-economic loss such as injury to feelings.
  - \*A full summary of court cases from Zurich Municipal's Court Circular magazine will be the subject of a separate report.

## Local

- Service risk management workshops to revise the operational risk registers have commenced and the work will be completed by end of November 04.
- Work on the Service Groups Business Continuity Plans progressing although it is behind schedule.
- No significant issues need be reported to Corporate Board following the Insurance Company surveys carried out in the last quarter.
- No major issues to report on the Council's insurance renewal wef 1/10/04. Increases in premium are in line with inflation and increases in sums insured.

## Recommendations For Corporate Board

- It is essential that all issues of possible claims being made against the authority which might effect the insurance programme be reported to The Head of Assurance / Risk Manager. There is a requirement to disclose such information to insurers. Failure to do so may result in termination of cover or renewal refused / special terms imposed. Insurers can also decline to pay claims if we have failed to disclose information.



# Work Programme 2004/5 to Date

## Key Performance Indicators

- For table please refer to following page.
- Risk Registers and Action Plans are Green for all service areas including Amey West Berkshire.
- Business Continuity is Red for all service areas.
- Work is progressing in relation to determining the risks, which were identified in the operational risk action plans which should have been taken in to the service plans.

## 1.Risk Management

### Project Risk

- Three monthly reviews of Project risk management workshops are currently underway.
- Background work is progressing on the Care Trust Project
- Workshops will be carried out on other major contracts as they are identified including Newbury Day Centre

### Strategic Risk Management

- A review of the Strategic Risk Action Plan needs to take place with Corporate Board before the end of this calendar year.
- A revised risk management strategy is being written and will be the subject of a separate report.

## 2.Business Continuity Planning

- Work is progressing to produce a draft plan, however this is behind schedule.

## Recommendations For Corporate Board

- Corporate Board / Heads of Service to involve The Risk Manager in compiling a risk register and action plan for new major projects.
- Corporate Board to ensure that Business Continuity Plans are completed for their service Areas

## Risk Management Performance Indicator Report – Service Group Summary

**Introduction and aim:** The following summary tables are a means to 'rate' key risk management issues. Identifying such strengths (and weaknesses) thus ensures best use of skilled resource, focusing on steady improvement across Service Groups.

<b>Service Groups :</b> All	<b>Report by:</b> Charles Morris	<b>Date issued:</b> 6/10/04
<b>Sub Section (if appropriate):</b>	<b>Report period:</b> To 30 September 2004	

1 Risk Registers	2 Action Plans	3 Risk Management Training	4 Risk Actions from Service Plans	5 Business Continuity Plans
On an annual basis Risk Registers fully reviewed and agreed by The Risk Management JCC.	Action Plan items implemented by due dates and new items included from revised risk registers	Risk management Training needs formally identified and 50% of those staff chosen to attend the appropriate courses have done so	More than 50% of actions	Draft Business Continuity Plan prepared by 30 September 2004
<b>Green</b> <input type="checkbox"/> 3 points	<b>Green</b> <input type="checkbox"/> 3 points	<b>Green</b> <input type="checkbox"/> 3 points	<b>Green</b> <input type="checkbox"/> 3 points	<b>Green</b> <input type="checkbox"/> 3 points
Risk Registers in process of being reviewed but not fully completed by relevant service officer(s).	Action Plan items in progress but not fully implemented.	Risk management training identified but less than 50% of those staff have attended the courses	50% of actions.	BCP in progress but not fully complete
<b>Amber</b> <input type="checkbox"/> 2 points	<b>Amber</b> <input type="checkbox"/> 2 points	<b>Amber</b> <input type="checkbox"/> 2 points	<b>Amber</b> <input type="checkbox"/> 2 points	<b>Amber</b> <input type="checkbox"/> 2 points
No structured approach – to risk registers / no preliminary work being undertaken.	No progress with Action Plans.	Risk management training has not been identified	Nil	No progress evident
<b>Red</b> <input type="checkbox"/> 1 point	<b>Red</b> <input type="checkbox"/> 1 point	<b>Red</b> <input type="checkbox"/> 1 point	<b>Red</b> <input type="checkbox"/> 1 point	<b>Red</b> <input type="checkbox"/> 1 point

### Service Group overall ratings:

Strat and Commissioning		Env' and Public Protection		Children and Young People		Community Care & Housing		Amey West Berkshire	
Risk registers	3 <input type="checkbox"/>	Risk registers	3 <input type="checkbox"/>	Risk registers	3 <input type="checkbox"/>	Risk registers	3 <input type="checkbox"/>	Risk registers	3 <input type="checkbox"/>
Action Plans	3 <input type="checkbox"/>	Action Plans	3 <input type="checkbox"/>	Action Plans	3 <input type="checkbox"/>	Action Plans	3 <input type="checkbox"/>	Action Plans	3 <input type="checkbox"/>
RM Training	- <input type="checkbox"/>	RM Training	<input type="checkbox"/>	RM Training	<input type="checkbox"/>	RM Training	<input type="checkbox"/>	RM Training	<input type="checkbox"/>
Service Plans	2 <input type="checkbox"/>	Service Plans	2 <input type="checkbox"/>	Service Plans	2 <input type="checkbox"/>	Service Plans	2 <input type="checkbox"/>	Service Plans	2 <input type="checkbox"/>
BCP	3 <input type="checkbox"/>	BCP	1 <input type="checkbox"/>	BCP	1 <input type="checkbox"/>	BCP	1 <input type="checkbox"/>	BCP	1 <input type="checkbox"/>
<b>Totals</b>	11 <input type="checkbox"/>		9 <input type="checkbox"/>		9 <input type="checkbox"/>		9 <input type="checkbox"/>		9 <input type="checkbox"/>

# Training

- The risk workshops being conducted for the large projects around the council should be seen as a form of Risk management training.
- The review of risk registers and action plans is part of the risk management training programme for HOS and their management teams.

## 2004 / 2005

- Senior Managers & HOS will be involved from the end of September 2004 in the review of operational risk registers. This will provide an interactive on the spot forum to discuss risk in relation to their particular service areas and Units. This is an important part of the process for The Statement of Internal control requirements.
- A one-hour training session for Members relevant to their priorities and concerns will be available from the late autumn.

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## From 2005

- A review of the strategic Risk registers with Corporate Board.
- Risk Management Training Sessions for 3-4 tier managers

## From 2006

- Risk management training for more junior staff

## **Recommendations For Corporate Board**

- Corporate Directors to ensure that HOS's complete the review of Risk Registers and Action Plans with The Risk Manager, by mid December.

## Insurance Claims Information

- Insurance claims analysis attached.
- Split analysis will in future be provided by Service Area.
- Trends, where appropriate, will also be identified. Overall claims are relatively stable. Premiums have increased in line with national market trends.
- The retention levels within the insurance provision are unchanged at renewal from 1/10/04 For liability losses the first £25,000 of each claim is paid from the insurance provision / fund. For property claims this figure is £250,000.
- Following a review of West Berkshire Council's present arrangements, Corporate Board , that in order to encourage greater ownership of Risk Management strategy, with effect from 1 April 2005 the first £5,000 (Liability & Property Claims – not motor)-in respect of each claim made under the Council's self-funded scheme will be payable by the relevant Service Unit.
- Claims falling below the above sum should still be recorded on Webrisk in the usual way and forwarded to the Insurance Team in Faraday Road for processing. Correspondence with the claimants will continue to be from West Berkshire Council's insurers, and any claims where they advise liability should be admitted will be referred to the relevant Service Unit for their comments before any payment is made

### Recommendations For Corporate Board

- None on this occasion

**Liability Losses  
to 30 June 2004**

<b>Year</b>	<b>Number of claims</b>	<b>Paid &amp; Reserved by WBC</b>	<b>Self Funded Retention</b>	<b>Paid &amp; reserved by Insurer</b>	<b>Total Losses</b>	<b>Annual Premium (Gross of IPT)</b>	<b>Insured Losses as a % of premium</b>
<b>01/02</b>	163	£42,967	£1,000	£128,200	£171,167	£197,400	86.71
<b>02/03</b>	166	£89,313	£5,000	£63,500	£152,813	£139,125	109.84
<b>03/04</b>	102	£131,298	£25,000	£45,000	£176,298	£252,283	69.88
<b>04/05</b>	23	£63,055	£25,000	£63,055	£126,110	£280,784	44.91
<b>Totals</b>	454	£326,633		£299,755	£626,388	£869,592	72.03

**Property  
Losses To  
30 June 2004**

<b>Year</b>	<b>Number of claims</b>	<b>Paid &amp; Reserved by WBC</b>	<b>Self Funded Retention</b>	<b>Paid &amp; reserved by Insurer</b>	<b>Total</b>	<b>Annual Premium (Gross of IPT)</b>	<b>Insured Losses as a % of premium</b>
<b>01/02</b>	50	£71,391	£25,000	0	£71,391	£125,090	57.07
<b>02/03</b>	51	£50,948	£25,000	0	£50,948	£241,500	21.10
<b>03/04</b>	36	£30,022	£250,000	0	£30,022	£257,591	11.65
<b>04/05</b>	15	£28,825	£250,000	0	£28,825	£252,696	11.41
<b>Totals</b>	152	£181,186			£181,186	£876,877	24.21