

AUDIT COMMITTEE

29 September 2011

RISK MANAGEMENT – PROGRESS REPORT

Report of the Corporate Director – Finance and Central Services

1.0 PURPOSE OF THE REPORT

- 1.1 To receive details of the updated Corporate Risk Register.
- 1.2 To consider progress made on Risk Management matters.

2.0 BACKGROUND

- 2.1 According to the Terms of Reference of the Audit Committee, its role in risk management is:
 - (i) to assess the effectiveness of the authority's risk management arrangements and
 - (ii) to review progress on the implementation of risk management throughout the authority
- 2.2 Following a recommendation by this Committee, the County Council formally adopted a revised Corporate Risk Management Policy and Strategy on 16 December 2009 with a provision that it will be reviewed and updated every two years.
- 2.3 Regular reports to this Committee therefore cover the implementation of the Policy/Strategy as well as other related risk management matters in order to fulfill this role.

3.0 RISK MANAGEMENT POLICY AND STRATEGY UPDATE

- 3.1 The biennial update of the Corporate Risk Management Policy and Strategy is presently underway and will be based upon **BS ISO 31000:2009 Risk Management – Principles and guidelines**. The revised documents will be submitted to this Committee once they have been signed off by the Corporate Risk Management Group.

4.0 CORPORATE RISK REGISTER

4.1 The Corporate Risk Register (CRR) is fully reviewed every year and updated by the Chief Executive and Management Board in August/September.

4.2 A copy of the latest version is attached at **Appendix A**. Certain risks are perpetual so will recur on the Register (eg ability to respond to a public emergency such as a major flood). Others relate to specific service issues (eg Waste Strategy).

4.3 Two new risks have been added this year to reflect the County Council's present situation. These risks are:

- One Council Change Programme – this risk is ranked high at the present time due to it still being in its infancy. However over time and following the actions listed it is felt the risk will reduce
- Health Responsibilities – this risk reflects the challenges of integrated working and the changes required to deliver Public Health services

4.4 The other risks carried over from the previous version of the register are:

- delivery of the 4 year MTFS – this continues to be a high ranking risk but provided the County Council is able to adhere to the savings programme it should be possible to achieve a balanced budget
- Communication – this risk has been expanded to include all communication with the staff, Members and the public through these times of change
- Organisational Performance – this risk is recognised as important to achieve whilst also recognising the challenges of motivation during a time of change and budget reductions

4.5 To assist Members interpret **Appendix A**

- Risks are identified by Management Board during a prep meeting and workshop
- Each risk has then to be ranked based on the following:
 - existing risk controls in place
 - probability of the risk occurring (based on existing controls)
 - impact of the risk occurring (based on existing controls)
 - further risk controls which may reduce current probability or impact
- The prioritisation system follows a fairly traditional risk evaluation approach in that the **probability** and **severity** of risks is measured using High, Medium, Low and Nil categories.

➤ However, to facilitate the assessment of the severity of each risk this is done in relation to 4 distinct **impact areas**. Each level within the County Council ie. Service Units, Directorates and Corporate will rank the risks against their own 'risk appetite' (known as a Risk Classification Table) which reflects their key objectives and uses familiar performance measurements where possible. The impact of risks is then assessed in terms of:

- Obj = failure to meet key objectives and standards – reflecting current service plans
- Fin = Financial impact – reflecting current budgets
- Serv = delays in service delivery – reflecting current service indicators
- Rep = loss of image or reputation – reflecting key image indicators

As each risk is ranked with reference to current controls and then future controls, the risk prioritisation system can compute a "score" in the range of 1 to 5

- 1 and 2 being a 'red' risk
- 3 and 4 being an 'amber' risk and
- 5 being a 'green' risk

One of the key things to look for in the Register is the movement of the score (described as 'Cat' in **Appendix A**) as between the 'Pre' (i.e. present stage) and 'Post' (i.e. after risk mitigations are in place). For certain risks, however, this score does not change as the risk mitigations cannot prevent the event (e.g. severe flood) but can address/reduce its impact.

5.0 CORPORATE RISK MANAGEMENT GROUP

5.1 The Corporate Risk Management Group (CRMG) meets 6 times a year although one of these dates is reserved for the corporate risk management conference. (please see **paragraph 6** for further details). Notes of the meetings held on 18 May 2011 and 25 July 2011 are attached at **Appendices B and C** respectively. Attachments to these reports have not been provided but if there are any particular topics where there is more detail required, then this can be provided on request.

5.2 The meeting on the 18 May 2011 looked at updates and risk registers for Adult and Community Services and Business and Environmental Services. The update from Finance and Central Services was carried forward due to the change in risk management champion for this Directorate from Judith Johnson to Peter Bright, Assistant Director - Corporate Property Management. There were also updates from Working Group Leaders on issues such as fire safety and security, information governance, personal safety (including VoiceConnect) and food safety.

- 5.3 The meeting on the 25 July 2011 looked at updates and risk registers for Children and Young People's Service, Chief Executive's Group and Finance and Central Services. The Group was also provided with an update from Working Group Leaders on issues such as safer recruitment and employment, safety risk, service continuity and challenging behaviour.
- 5.4 The latest meeting took place on 12 September 2011. Updates on risk management and risk registers were received from Health and Adult Services and Business and Environmental Services. Updates were also received from Working group Leaders on safety risk and the draft Drivers Policy. The Notes of this meeting were not available at the time of drafting this report but will be attached to the next progress report to this Committee.
- 5.5 The role of the CRMG is a combination of:
- sharing best practice and awareness of risk issues across the County Council
 - identifying new areas of risk, especially those that affect more than one Directorate
 - managing the work of the various task and finish groups that actually do most of the developmental work on risk identification via their risk action plans
- 5.6 The CRMG is chaired by the Corporate Director – Finance and Central Services, with representatives from Directorates and Working Groups continuing to attend and participate enthusiastically.
- 6.0 **RISK MANAGEMENT CONFERENCE XIII**
- 6.1 The thirteenth risk management conference will take place at the Pavilions of Harrogate on 3 November 2011. A draft programme for the day can be seen at **Appendix D**. It is anticipated that the morning sessions will include topics around the One Council Change Programme and the challenges and opportunities associated with this issue. The afternoon will include an interactive session linked to the "coping skills" required for individuals to 'continue to be motivated and to motivate' along with the ability to continue to 'deliver and enable the delivery of' high quality services in a changing environment.
- 6.2 Annual awards for best risk management initiatives will also be included within the programme to recognise good and innovative practice across the County Council. The awards will be presented by the Chairman of the County Council.
- 6.3 It is anticipated that there will be approximately 100 delegates attending from all levels across all Directorates of the County Council. All Members of the Committee are invited to attend the Conference. Please contact the author of the report to register.

7.0 INTERNAL AUDIT REPORT ON RISK MANAGEMENT

7.1 The previous report to this Committee advised that an Internal Audit review of the County Council's risk management arrangements and procedures had been completed. The review covered the following areas:

- risk management strategy
- best practice compliance
- risk management in decision making and policy making
- risk register processes including directorate perception of the process, and whether it adds value
- a review of the organisation and format of directorate risk register workshops

7.2 The auditors found that the arrangements for managing risk were very good and an effective control environment was in operation. The overall opinion of the controls within the system at the time of the audit was that they provided **High Assurance**

7.3 The issues identified in the audit that require attention relate to the violent warning marker system and the formal inclusion of a risk assessment in any report to Executive regarding a policy matter. Work is continuing in relation to the violent warning marker system as part of joint remit of the Corporate Information Governance Group and the Corporate Risk Management Group. Work is also continuing in conjunction with Legal Services on ensuring that a relevant risk assessment is included as part of any formal decision making.

8.0 INSURANCE CLAIMS

Insurance Claims involving Potholes

8.1 As a result of the unprecedented weather conditions of 2009/10 and 2010/11 there has been an increase in the number of claims being received from the public as a result of the formation of potholes in roads across the County. The claims mainly involve the cost of repairs to damaged tyres and wheels of vehicles although there are some personal injury incidents.

8.2 The number of claims received in the Insurance and Risk Management section for the insurance year 2009/10 was 340. So far, only 13% of these claims have been accepted and paid, whilst 87% of the total number of claims has been repudiated as a result of a robust defence being available to the County Council. There are approximately 5 claims remaining outstanding out of the 340.

8.3 At the beginning of the winter of 2010/11 the number of claims due to the formation of potholes again began to rise. The number of claims received between October 2010 and the middle of September 2011 amounts to 323. So far, only 12% of these claims have been accepted and paid, 4% are pending a decision on liability and 84% of the total number of claims has been repudiated.

- 8.4 The Insurance and Risk Management section continues to work closely with Highways to ensure the situation is monitored and information is shared so as to continue to minimise the financial impact of these claims to the County Council.
- 8.5 It is hoped that the winter of 2011/12 will not be as harsh so that the impact on workload and budgets will be consequentially lighter.

Property Insurance Claims including escape of water, flood and storm

- 8.6 The extreme cold weather during the winter of 2010/11 also caused damage to many County Council buildings (including schools) as a result of burst pipes and floods. This damage to buildings and contents owned and occupied by the County Council is covered by the Property insurance policy. This policy has an external excess of £100,000 and an aggregate excess of £500,000. This means that the insurer starts to pay for an individual claim when the amount exceeds £100,000 or when the total of all claims within £100,000 exceeds £500,000. However Directorates only have to pay an excess of £1,000 for contents and £5,000 for buildings as there is an internal self-insurance fund that pays above these amounts up to the external excess of £100,000.
- 8.7 124 property claims have been received in the Insurance and Risk Management section as at the middle of September 2011 with a value of approximately £1.95 million.
- 8.8 The value of these claims clearly breaches the £500,000 aggregate this year and the Insurance team are therefore working with the insurers, Zurich Municipal to ensure they are kept fully apprised of the position.
- 8.9 The Insurance and Risk Management team will continue to work with property colleagues to ensure effective risk controls such as monitoring of temperatures, are considered to make certain that future losses are kept to a minimum.

9.0 TENDER FOR INSURANCES

- 9.1 The annual insurance renewals for the County Council take place on the 1 October. This year a full tender exercise has been carried out to ensure the County Council procure the most competitive rates and comprehensive cover for the three main categories of insurance: Liability, Motor and Property.
- 9.2 A table is attached at **Appendix E** that provides details of the outcome of the tender exercise. As well as the three main categories of insurance the table provides details of the outcome for insurances relating to Personal Accident, Travel (including school journeys) and Engineering Inspections (including inspecting lifts and hoists installed in vulnerable people's homes etc). The tender process followed the negotiated procedure which enabled further negotiations following receipt of initial tenders. Using this procedure has proved effective.

- 9.3 For example, it was anticipated that the increase in property claims (**see paragraphs 8.6 to 8.9 above**) may have had an adverse effect on the renewal premium of this class of insurance. However due to a combination of demonstrating proactive risk management and a previously good claims experience, the County Council negotiated a 5% package discount with the appointed insurers, Zurich Municipal.
- 9.4 On the right hand side of the table a 'Comments' narrative column has been provided. These comments provide the best available explanatory information at the time of writing this report. However, please note that full premium breakdowns have not yet been received and therefore the comments provided are not as full and detailed as would be preferred to explain the position.
- 9.5 The overall reduction in annual premium for the classes of insurance shown is 1.28%.

10.0 **RECOMMENDATIONS**

That the Committee:

- (i) approves the updated Corporate Risk Register
- (ii) notes the update on risk management matters
- (iii) raises any issues of risk that may be of current concern.

JOHN MOORE
Corporate Director – Finance and Central Services

Finance and Central Services
County Hall
Northallerton

13 September 2011

Author of report
Fiona Sowerby
Corporate Risk and Insurance Manager
Tel 01609 532400

Background documents: None

CEO Corporate Risk Register

Risk Register: **month 0 (Sept 2011) - summary**
 Report Date: 9th September 2011 (cpc)

Identity			Person		Classification												Fallback Plan			
Risk No	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
20/45	20/45 - Waste Strategy	Failure to deliver the Waste Strategy	CEO	CD BES	M	M	H	L	H	2	10	31/12/2011	L	M	H	L	M	3	Y	CD BES
20/1	20/1 - Delivery of 4 year MTFS	(a) Failure to deliver the 4 year MTFS (2011/15) including the savings programme resulting in inability to balance the budget, potential distortion of priorities and public dissatisfaction. (b) Potential adverse effect of Government's review of business rates and council tax benefits and their impact on future funding levels	CEO	All Mgt Board	M	M	H	H	M	2	8	30/11/2011	L	M	H	M	M	3	Y	All Mgt Board
20/47	20/47 - Health Responsibilities	Failure to be sufficiently prepared for our Health responsibilities and deliver integrated approaches with Health partners resulting in lost financial opportunities through joint provision of services, inability to protect the public adequately and not make sufficient progress in health improvement	CEO	CD HAS	H	M	M	M	M	2	7	29/02/2012	M	M	M	M	M	4	Y	CD HAS
20/51	20/51 - Communication	Failure to effectively inform, consult, engage and involve the public/staff/Members, resulting in public dissatisfaction, loss of reputation, low morale, criticism of Members and missed opportunities	CEO	CEG DMG	M	M	M	M	H	2	2	29/02/2012	M	M	M	M	M	4	Y	CEG DMG
20/207	20/207 - One Council Change Programme	Failure to deliver the One Council change programme resulting in financial cost, poorer service outcomes, lost opportunities, need to revisit savings on front line services	CEO	CEG DMG	M	M	H	M	M	2	7	31/10/2011	M	L	L	L	M	4	Y	All Mgt Board
20/8	20/8 - Major Emergencies in the Community	Failure to plan, respond and recover effectively to major emergencies in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation	CEO	CEO	L	L	H	L	H	3	5	31/10/2011	L	L	H	L	M	3	Y	CEO
20/49	20/49 - Organisational Performance Management	Lack of focus on performing at service, team and individual level resulting in poorer service delivery, public dissatisfaction, criticism increased costs and lost opportunities	CEO	CEG ACE PPP	M	M	M	M	M	4	4	31/12/2011	M	M	M	M	M	4	Y	CEG ACE PPP

APPENDIX A



Action Notes

Wednesday 18th May 2011, B17 County Hall @ 2.00pm

Present: Fiona Sowerby Chris Clark

Directorate Representatives:

Tony Law (for S Dosanjh) Barrie Mason

Working Group Representatives:

Helen Fowler Wendy Parkin Dominic Passman
Simon Wright Nick Postma Mike McCauley

Item		Action By
1.	Welcome and apologies	
	Apologies were received prior to the meeting from John Moore, Jon Holden, Sukhdev Dosanjh, Josie O'Dowd and Phil Jones. Peter Bright has replaced Judith Johnson as Assistant Director, Corporate Property Management and whilst he sent apologies for this meeting he is expecting to take up the Directorate Representative role for Finance and Central Services.	
2.	Who's Who	
	Amendments to representatives from A&CS received prior to the meeting were discussed and TL will liaise with Group leaders on replacements, including issues with the Challenging Behaviour Group raised by MM. PJ to advise replacement for David Aked on the Fire Safety and POSH Groups.	TL PJ
3.	Record of meeting held on 27th January 2011	
	Agreed.	
4.	Outcome of meeting on 30th March 2011	
	FS reported that the format of the workshop to identify risks relating to the delivery of services in the present financial climate had been successful. A number of risks had been discussed and ranked (summary attached). Further work was still to be done by FS and CC but the issues identified would be included in risk discussions at Service, Directorate and Corporate level.	FS/CC
5.	Matters arising	
5.i	Use of the term "senior managers" in Health & Safety procedures	
	DP advised that the term was used to avoid the need for too much detail in procedures. The H&S Policy defines the responsibilities for various layers of management and staff but it was felt that repeating this throughout each procedure would be unnecessarily burdensome. To assist with any necessary identification it was suggested that procedures continue to use generic phrasing but that Directorate's stipulate and record the operational specifics when adopting procedures. JH is asked to confirm acceptance to this approach for CYPS as particular issues arise in that Directorate (eg. with schools).	JH

5.ii	First Aiders	
	DP advised this had been completed.	
5.iii	Personal Safety Policy Launch	
	See item 7.iv	
5.iv	Radon Testing	
	DP advised that in accordance with the developed strategy NYCC would be testing 20 to 30 sites to benchmark radon levels. The Health Protection Agency (HPA) have written to NYCC stating that they feel a larger number (100+) should be checked but over a long time period. Dialogue with the HPA continues but NYCC are progressing with the identified sites as planned.	PJ
6.	Exception report from Directorate Reps on Action Plans and Risk Registers 2010/11	
6.i	Adult and Community Services	
	<p>TL took the Group through the report circulated with the agenda including:-</p> <ul style="list-style-type: none"> - The recently updated risk register on which budget issues and meeting high demand for services continue to be significant risks. - The provision of evacuation mats to care establishments to assist the moving of mobility impaired people downstairs in an emergency. - Review of the Directorate's Hazard Warning marker procedures. - Matters recently discussed at the Directorate Health & Safety and Risk Management Group including equipment servicing and the winter weather plan. - The chemical vapour release incident at Standard Way, Northallerton in February. It was noted that service continuity arrangements worked well. 	
6.ii	Business and Environmental Services	
	<p>BM took the Group through the report circulated with the agenda including:-</p> <ul style="list-style-type: none"> - The working of the Directorate H&S Group. - The contents of the upcoming report to BESMT which continues to show good H&S performance in the Directorate. - Current issues being dealt with in BES including a stress audit and the transfer in of Scarborough highways staff to NYCC. - The driver policy is now ready to roll out. BM to send final version to FS for discussion with JSM prior to introduction via Risk Management Groups and/or Directorate Management Teams. - Key risks on the risk register are Waste PFI, particularly planning issues; and the Directorate's savings plan. 	BM/FS/JSM
6.iii	Finance and Central Services	
	Carried forward to the July meeting.	

7.	Update report from Working Group Leaders - Review report and action plan	
7.i	Fire Safety and Security	
	Carried forward to the July meeting.	
7.ii	Information Governance	
	<p>HF informed the Group of key areas of progress since their last report including:-</p> <ul style="list-style-type: none"> - Approval of a number of Info Gov Policies eg. Scanning, Anti virus and Incident Reporting. - Identification of key information assets and owners within the Directorates. - Unannounced audits of offices to assess information security arrangements had revealed a number of breaches, in particular with unsecured laptops. <p>Key challenge ahead is to fully embed information governance principles within the culture of the Council.</p>	
7.iii	Property Occupiers Safety and Health (POSH)	
	<p>DP took the Group through the key points of the report circulated with the agenda including:-</p> <ul style="list-style-type: none"> - Progress made on implementation of the Authorisation to start work on site scheme (ATWS). - The Group is a good forum for Directorates to learn from each others good practice and its success relies on good representation. <p>DP asked that PJ confirm whether there will be a replacement for David Aked or if Gill Elstob would pick up all David's issues. PJ to advise.</p>	PJ
7.iv	Personal Safety (and voiceconnect)	
	<p>WP took the Group through the report circulated with the agenda including:-</p> <ul style="list-style-type: none"> - The Personal Safety Policy has now been issued and the launch will be supported by a series of road shows (see attached). - The e-learning package is available and a workbook is in production for those who don't have access to a PC. - Work continues on options for a Corporate violent warning marker system but Directorates may just enhance their current arrangements rather than switch to a Corporate approach. (see also item 6.i) <p>On voiceconnect, WP advised that the new server and system upgrades were working well after some initial technical issues. The incoming text facility just requires some administrator training to allow it to be introduced and it is hoped this can take place over the summer. ACS's compulsory use of voiceconnect for frontline staff is having a phased introduction over 3 months to allow for the sheer number of people going on.</p>	

7.v	Motor	
	See 6.ii	
7.vi	Food Safety	
	<p>NP took the Group through the report provided with the agenda highlighting in particular:-</p> <ul style="list-style-type: none"> - The “Scores on the Doors” scheme publicising environmental health inspection star ratings continues and most schools are scoring between 3 and 5 stars out of a maximum 5. - For food items bought centrally from Council authorised suppliers YPO tell all customers if a product alert has been issued (eg. for food safety or labelling error) but those who buy direct from supermarkets (eg some EPHs) need to be aware of such issues and can register with the Food Standards Agency to receive notifications. - Lack of first aid training in school based catering had been discussed, currently there is reliance on school first aiders but training could be provided if schools request (and pay) for it. <p>NP confirmed it is appropriate to continue to report to the Group on a 6 monthly basis.</p>	
8.	Other Risk Management Issues	
8.i	Planning for Risk Management Conference	
	<p>FS advised that planning was at an early stage for the Conference, which will take place on Thursday 3rd November 2011. One Council is a likely theme but Directorates are asked to consider and feedback aspects they would like to see included in the programme.</p>	ALL
9.	External Risk Management Training	
9.i	Alarm North East Seminar and Workshop 20th September 2011; Subject “New Horizons”; Location - Durham County Cricket Club	
	Noted.	ALL
9.ii	Better Governance Forum programme for 2011	
	Noted	ALL
10.	Any other business	
	<p>DP reported that following the review of H&S by the Burdens and Bureaucracy Group it had been agreed that an internal review was needed. This will initially consist of a client satisfaction survey. DP urged that all those that are contacted do respond as the results need to be based on as large a sample as possible.</p> <p>SW advised he has been working with North Yorkshire Police regarding threat procedures for acts of a criminal, malicious or vexatious nature against the Council. He feels a risk assessment should be carried out to analyse the need for and benefit of any further suggested actions. It was agreed SW would approach PJ to progress the issue with the Fire Safety and Security Group, with assistance from the risk management team if required.</p>	<p>ALL</p> <p>SW/PJ</p>

11.	Future Meetings		
	Monday 25 th July 2011 Monday 12 th September 2011 Thursday 3 rd November 2011	2.00pm Meeting Room 4 2.00pm Meeting Room 2 Date for Risk Management Conference	ALL

	7.vi Food Safety JSM questioned if the first aiders issue related solely to County Caterers and said that at the next meeting DP should take the Group through the planned arrangements for First Aid within NYCC.	DP
4.	Matters arising	
4.i	Outcome of Corporate Risk Management Group meeting on 30th March 2011	
	FS advised that it was planned to use the output and move this forward as part of a session at the Risk Management Conference - see item 7.i	
4.ii	Driver Policy rollout	
	BM confirmed that the mileage expenses claim section on MyView now contains the self declaration questions relating to Insurance, MoT and driving convictions. The Driver Policy is planned for roll out after the summer holidays and colleagues in the Road Safety team are currently putting together a launch plan. JSM asked that BM confirm with Geoff Wall that he is happy with the wording of the MyView screen as there appears to be repetition relating to the requirement of VAT receipts.	BM
4.iii	Health & Safety Client Satisfaction survey	
	DP advised that the survey is now on the Intranet and would be available until the end of August. He asked that all Directorate Champs and Working Group Leaders encourage the attendees of their Groups plus managers to complete the survey as it is important that feedback is as comprehensive as possible. The survey can be accessed by following this link Health and Safety Survey .	ALL
4.iv	Threat procedures	
	Carried forward to September in view of absence of SW and PJ	SW/PJ
5.	Exception report from Directorate Reps on Action Plans and Risk Registers 2010/11	
5.i	Children and Young People's Service	
	JH took the Group through the attached report including:- <ul style="list-style-type: none"> - the Directorate's risk register continues to concentrate on themes relating to the MTFS savings requirements but still includes significant generic risks such as Health & Safety. - the remit and structure of risk management groups within the Directorate is being reviewed to try to establish a successful balance between strategic and operational requirements. - Capital Programme works have been agreed in areas of Gas Ventilation, Fire Safety, Legionella and Glazing Inspections and Radon Monitoring. - the Directorate continues to look to improve health and safety practices in relation to construction. Work continues with internal and external partners to improve monitoring and provide training to colleagues 	

	<p>involved in construction projects.</p> <p>JSM raised the issue of CCTV use and PB outlined the aspects of a review of use of CCTV in current and future projects. Projects are being dealt with on a case by case basis to ensure that the needs and merits are understood and that the benefits merit the expense. BM to talk to PB re possible 'implications' for BES.</p>	BM/PB
5.ii	Chief Executive's Group	
	<p>JO'D took the Group through the attached report highlighting:-</p> <ul style="list-style-type: none"> - The key risks on the recently updated risk register are the One Council Change Programme; Communication; Savings Delivery; Transferring Services; and Ensuring Legality. - Section Risk Reviews; <ul style="list-style-type: none"> o Chief Executive's Office: The new complaints, compliments and comments handling system is being tested and hopefully will be implemented in August 2011. o Communications Unit: A new email newsletter for residents is being launched to replace the NY Times. Any services who have large databases of resident email addresses should get in touch so that the audience for this can be as big as possible. The Social Media guidance is being updated to make it more user friendly. o Emergency Planning: Working with other agencies to provide assistance on Community Resilience. o HR&OD: Looking to slim-line many of the policies in existence to increase usability and compliance. o Libraries: Moved across from HAS on July 1st. Major service revision ongoing. o Policy, Performance and Partnerships: Risks around the Open Public Services White Paper, Equality Act 2010, Olympics and One Council. o Legal & Democratic: Work continues on major high risk legal cases; some chargeable work now being done for academies; a shadow Health & Wellbeing board needs to be in place by April 2012 in preparation for the Authority's new health role. 	
5.iii	Finance and Central Services	
	<p>PB took the Group through the attached report including:-</p> <ul style="list-style-type: none"> - Training provided includes the IOSH 4 day managing safely course as well as monthly workshops on topics such as DSE, manual handling and fire safety. - the Risk Management Group is looking at building security. 	

	<ul style="list-style-type: none"> - the upcoming H&S report to FSMT will highlight good performance in most key areas. - the Directorate Risk Register was recently updated. Key risks are Information Governance Breach; Pension Fund Solvency and One Council. 	
6.	Update report from Working Group Leaders - Review report and action plan	
6.i	Safer Recruitment and Employment	
	<p>SF-G took the Group through the reported circulated with the agenda including:-</p> <ul style="list-style-type: none"> - NYCC has moved from a three to a five year rechecking period in respect of CRBs. Schools and Transport to Schools will remain at three years for the time being. - CRB checks continue to be made for those working in regulated activities (ie. directly with children or vulnerable adults); but those in the controlled activity category (eg. those who have access to personal records relating to children or vulnerable adults) cannot now be checked. This will lead to a reduction in the number of checks carried out from around 18,000 a year to around 10,000 a year. - An E-CRB system is being developed which it is hoped will reduce process time and errors as the system is intuitive and validates fields before submission. 	
6.ii	Safety Risk	
	<p>DP took the Group through the key areas of the report provided with the agenda covering:-</p> <ul style="list-style-type: none"> - the implementation of revised policies and procedures around Electrical Safety; Glass and Glazing Safety; First Aid Provision and Legionella. - engaging with Tracy Harrison's One Council workstream relating to the provision of training. - feedback from the Personal Safety workshops held around the County. It was noted that the driving advice was well received and that the sessions were well supported by HAS in particular. - the creation of a model SLA for delivery of H&S services to academies. - issues still to be addressed including Academies; improving the management of construction risks; a review of the online risk assessment system. 	

6.iii	Challenging Behaviour	
	<p>MM presented the report provided with the agenda including:-</p> <ul style="list-style-type: none"> - Children's Resource centre staff have received training but MM asked how best this training should be quality assured. It was suggested that advice be sought from Vanessa Handley &/or Liz Short. - HAS Directorate reps continue to question the merits of a joint Group and SD agreed to speak to Tim Smith to assess the Directorate's continued presence. DP commented that even if a joint group does not continue it is important to ensure that standards and practice are consistent and of an equally high standard. - All home to school transport risk assessments carried out for those with "very challenging" behaviour. 	<p>MM</p> <p>SD</p>
6.iv	Service Continuity	
	JSM advised that the approach to Service Continuity is being redesigned. The suggested new approach will involve local management of plans with a sign off by Directors of their adequacy as part of the Annual Statement of Assurance. This approach requires Management Board approval prior to being rolled out.	JSM
6.v	Volunteers	
	FS provided a verbal update to the Group advising that the Policy Guidance and Toolkit for Recruiting and Working with Volunteers was now available on the intranet. FS said she would be looking to arrange future meetings to keep the guidance up to date given the increasing encouragement for volunteers to be used more and more eg. Open Public Services White Paper.	
6.vi	Fire Safety and Security	
	Carried forward.	
6.vii	Back Care	
	PG provided a verbal update advising that the Group was now looking at the movement of people using just those members to whom it is relevant.	
7.	Other Risk Management Issues	
7.i	Planning for Risk Management Conference XIII	
	<p>FS advised that planning for the Conference is well under way. Sessions are planned around One Council and the challenges and opportunities it brings as well as a session to address coping skills.</p> <p>ALL are asked to think about possible award nominations.</p>	ALL
7.ii	CIPFA Risk Governance Self Assessment	
	FS advised that a self assessment based on the CIPFA document would be carried out and fed into the Risk Management Action Plan for the coming year. It was agreed that FS would complete in the first instance then circulate to the members of this Group for comment and agreement.	FS

8.	External Risk Management Training		
8.i	Alarm North East Seminar and Workshop 20th September 2011; Subject "New Horizons"; Location - Durham County Cricket Club		
	Noted.		ALL
8.ii	Better Governance Forum programme for 2011		
	Noted		ALL
9.	Any other business		
	<p>SD tabled a report (on Sharepoint post meeting) on Hazard Warning Markers. It is recognised that the present system is insufficient and that there needs to be a process in place that adequately considers:-</p> <ul style="list-style-type: none"> - when to put them on - when to remove them - who to notify of their existence <p>SD asks that colleagues in other Directorates ascertain any "markers" they may have logged and whether they would need to be included in sharing information regarding markers.</p> <p>A recent legal case was mentioned which states that sharing of such information internally and with partners needs to be legitimate, proportionate and pass the "likely contact test".</p> <p>JSM stated that a "task and finish" group should be established to scale the volumes involved and once known, agree who should carry out the case by case reviews required. SD to collate responses and liaise with Kevin Tharby in CYPS to progress the matter.</p>		<p>ALL</p> <p>SD</p>
10.	Future Meetings		
	Monday 12 th September 2011 Thursday 3 rd November 2011	2.00pm Meeting Room 2 Date for Risk Management Conference	ALL

RISK MANAGEMENT CONFERENCE XIII

Riding The Storm

Thursday 3 November 2011

Pavilions of Harrogate

DRAFT PROGRAMME

<i>Time</i>	<i>Item</i>	<i>Speaker</i>
9.30	Refreshments and Registration	
10.00	Welcome and Opening Address	Richard Flinton, Chief Executive
10.15	One Council	Rob Polkinghorne, Organisational Change Programme Director
11.15	Comfort Break, Refreshments and Exhibitor Stands	
11.55	Emerging Challenges, Risks and Opportunities	Keith Garrett, Marsh Ltd
1.00	Awards	John Moore, CD F&CS & John Fort, Chairman of the County Council
1.15-2.00	Buffet Lunch, Networking and Exhibitor Stands	
2.00	Coping Skills for Individuals (tailored session on e.g. Coping, Change Mgt, Motivation and Performance)	Diane Ingham-Cook (Effective Training and Development Ltd)
TBA	Break for Quiz Results	
TBA	Coping Skills (continued)	Diane Ingham-Cook (Effective Training and Development Ltd)
3.30	Close	

Tender 2011 Insurance Premium Comparison

Policy	Annual Premium 2010/2011 (excl 5% IPT)	Annual Premium 2011/2012 (excl 6% IPT)	Percentage Change	Comment
Liability				
Liability Primary Layer	£208,544.10	£223,849.91		Wageroll has decreased from £399,845,700 to £368,211,700 i.e. -7.91%. Insurers are now prepared to insure the whole £50 million sum insured therefore the excess layers are no longer necessary. A discount of 7.5% has been negotiated for a five year Long Term Agreement along with a 5% for a package discount with Motor. The overall premium has therefore decreased by 2.13%. This has happened even though there have been severe winters which affected the Liability claims experience.
Hirers Liability	£3,295.31	£3,295.31		
XS Layer EL (£25m/£25m)	£8,750.00	£0.00		
XS Layer PL (£25m/£25m)	£11,500.00	£0.00		
Liability Total	£232,089.41	£227,145.22	-2.13%	
Motor				
Motor	£37,489.23	£38,243.20		The rate per vehicle has decreased from £83 to £80, however, the number of vehicles has increased from 514 to 544 i.e. 5.8%. A discount of 7.5% has been negotiated for a five year Long Term Agreement along with a 5% for a package discount with Liability producing a small increase of 2.01% in the overall premium.
Motor Total	£37,489.23	£38,243.20	2.01%	
Property				
Material Damage	£577,630.61	£549,514.61	-4.87%	The sum insured has decreased from £2,426,821,284 to £2,167,935,908 i.e. -10.7%. However, due to over 100 burst pipe claims in the winter of 2010/2011 the claims experience has deteriorated. This has produced an overall reduction in premium of 4.87% for Material Damage.
Additional Expenses	£37,513.13	£42,643.13	13.68%	
Work In Progress	£54,734.56	£45,968.32	-16.02%	The sum insured has decreased from £74,363,800 to £68,884,000 i.e.-7.4%, therefore the reduction does appear to be a genuine saving
Money	£7,638.54	£11,180.12	46.36%	Wageroll has decreased from £399,845,700 to £368,211,700 i.e. -7.91%, therefore this is a large increase in percentage.
Foster Carers	£1,517.63	£1,397.07	-7.94%	The number of Foster Carers has reduced from 313 to 302 i.e. -3.5%, therefore this does appear to be a genuine saving
Fidelity Guarantee	£25,461.82	£30,842.27	21.13%	Wageroll has decreased from £399,845,700 to £368,211,700 i.e. -7.91%, therefore this is a large increase in percentage.
Computer	£11,783.82	£11,194.62	-5.00%	The sum insured has reduced from 4,650,438 to 4,637,808 i.e. -0.3%, therefore this does seem to be a genuine saving
Contractors Plant	£531.00	£363.95	-31.46%	The sum insured has stayed the same and therefore this does seem to be a genuine saving
Property Total	£716,811.11	£693,104.09	-3.31%	Following further negotiations we reduced the price by 5% for a 5 year Long Term Agreement and a package discount with Engineering

Tender 2011 Insurance Premium Comparison

Policy	Annual Premium 2010/2011 (excl 5% IPT)	Annual Premium 2011/2012 (excl 6% IPT)	Percentage Change	Comment
---------------	---	---	--------------------------	----------------

Personal Accident/Assault				
Personal Accident/Assault	£12,751.89			Wageroll has decreased from £399,845,700 to £368,211,700 i.e. -7.91% and number of FTE from 15,105 to 13,817 i.e. -8.5%
Travel	£2,183.51			
Personal Accident / Assault and Travel Sub-Total	£14,935.40	£14,200.88	-4.92%	
*School Journey and Personal Accident				
School Journey	£13,366.14			
Personal Accident	£5,624.03			
School Journey and Personal Accident Sub-Total	£18,990.17	£44,621.41	134.97%	We believe that this figure has increased due to the high number of claims submitted by schools in respect of school journeys and in particular the high number of claims caused by the ash cloud.
Personal Accident / Assault & Travel, School Journey and Personal Accident Grand Total	£33,925.57	£58,822.29	73.39%	

Engineering				
Engineering	£105,067.97	£93,704.39	-10.82%	Until final figures are in it is difficult to estimate, we believe that the number of inspections have remained level and therefore this is a genuine reduction by insurers. Following further negotiations we reduced the price by 5% for a 5 year Long Term Agreement and a package discount with Property

GRAND TOTAL				
GRAND TOTAL	£1,125,383.29	£1,111,019.19	-1.28%	

Aggregate Limits				
Liability Aggregate	£2,032,738.00	£2,184,000.00	7.44%	Original tendered limits for Liability were proposed at £2,457,000 and Cross Class Aggregate at £2,619,000. Negotiations therefore reduced the aggregates by the following: Liability £273,000 (-11.1%) and Cross Class Aggregate by £291,000 (-11.1%). The previous Motor Aggregate was considered too high and so even though a reduced Motor Aggregate of £207,000 was offered we managed to negotiate this down further by 11.1%.
Motor Aggregate	£394,700.00	£184,000.00	-53.38%	
Cross Class Aggregate	£2,269,558.00	£2,328,000.00	2.58%	

* Paid by Schools as part of the Traded Service

Note: There are other smaller insurances not included in the tender such as Medical Malpractice, Non-Owned Aviation Contractors Top Up and Legal Expenses