



City of York Council Risk Management & Insurance Strategy

Mission Statement

City of York Council aims to provide a high quality diverse range of services to the public. It is essential that the council protects and preserves its ability to continue to provide these services, by ensuring that its assets both tangible and intangible are protected against loss and damage.

The management of risks is, therefore, a key organisational responsibility. All employees must accept the management of risk as one of their fundamental duties, and every member of staff must have a real sense of ownership and commitment to identifying and minimising risks.

Elected members endorse the Authority's Risk Management Strategy, which is a proactive approach to:

- **Identify** the risks that exist
- **Assess** those risks for potential frequency and severity
- **Eliminate** the risks that reasonably practicably can be eliminated
- **Reduce** the effect of those risks that can not be eliminated
- **Put in place** financial mechanisms to absorb the financial consequences of the risks that remain
- **Monitor** the results of any risk management action taken
- **Evaluate** and balance hazards and opportunities to make well-informed decisions and provide sustainable improvements in service delivery

Risk Management Strategy

The aspiration of the strategy is the integration of risk management into the strategic and routine decision making processes of the Authority. This includes the consideration and implementation of risk management into all operational areas of the Authority including partnerships to assist with the development of a positive risk management culture at City of York Council.

Responsibility

Risks are allocated to specific owners as part of the strategy however they do not uniquely belong to that individual, they belong to everyone within the authority. All staff associated with the authority have a responsibility to respond actively to



any risk that threatens the ability of the authority in its provision of services. It is a fundamental principle of the strategy that risk management must be accepted as a line management responsibility. All managers must take action to identify, assess and resolve any risk issues affecting their service including partnerships.

It is important that managers stimulate the interest of their staff in the identification and reporting of hazards and risks, and that manager's respond positively to this. This responsibility should be inherent in managers performance plans and will be supported by professional, expert advice and training opportunities made available through the Risk Manager.

The Chief Executive has been charged by members to embed corporate risk management at City of York Council.

The Risk Manager has been made responsible for the development and implementation of the risk management strategy. The terms of reference for the manager are:

- Promote a shared corporate approach to the implementation of risk management within City of York Council
- Identify appropriate mechanisms for assessing and evaluating risk and agree targets against which the success of the strategy will be evaluated
- Raise awareness and knowledge of risk management across the council including partnerships
- Develop a corporate risk management strategy and SMART objectives
- Promote and co-ordinate Directorate level and specialist risk management activity within the council including partnerships
- Promote corporate risk management strategy to Directorate management teams
- Report progress and developments directly to council management team
- Identify and monitor resource requirements to effectively implement risk management offering a framework for allocating resources to identified priority risk areas
- Development of a risk management mission statement



Risk Identification

It is not possible to manage risk until it is known what the risks are. A formal process of risk identification needs to be implemented at both strategic and operational level. The implementation of a risk identification process is vital to the success of the Authority's risk management program.

The identification process will embrace both a proactive approach and one, which reviews issues retrospectively. Many lessons can be learned from examining why an adverse incident occurred and then taking appropriate action to avoid recurrence.

Risk Assessment/Analysis

The Risk Manager will assist senior and local managers to ensure that when risks are identified, they are analysed in order to assess the likelihood of them occurring, and what impact they may have on the organisation should they occur.

The Risk Manager will monitor the analysis of the data and other risk management assessments. They will ensure that action is taken to mitigate the risk and that there is an audit system (compliance) in place to verify that appropriate action has been carried out.

Control Mechanisms

The Risk Manager will act as a fulcrum for risk management within the Authority. There are already risk management activities being carried out on a daily basis by operational and support service departments. The manager will identify risks that are not already being addressed both strategic and operational. They will also form the hub into which other risk management groups can feed information and vice versa.

The other Authority agencies with responsibility for various areas of risk management include:

- ◆ **I.T.** – The Authorities work processes have a high dependence on Information Technology (IT) Almost all administrative functions are completely dependant on computer hardware and software. The IT department is



responsible for developing a strategy, which takes into account all the risks, which are inherent to the service, which they provide.

- ◆ **Health and Safety** – The Health & Safety Steering group is responsible for all aspects of health and safety in the authority including work place fire risk assessments
- ◆ **Audit Internal/External** – The audit function ensures compliance with policies and procedures e.g. Financial Regulations, HR policy, H&S policy, and standing orders.
- ◆ **Information Management Officer** – Implementation, training and advice on all issues relating to data protection, FOI.
- ◆ **Performance & Improvements Unit** – Implementation of strategic policy across the Authority reflecting changes in both UK and European legislation that affect Local Government.
- ◆ **Capital Monitoring Group** – This group has the responsibility to ensure that the Authority meets annual capital receipt targets.
- ◆ **Asset Management Group** – This group has the responsibility for the efficient and effective management of all council assets.
- ◆ **Full Executive, Executive Leader, Executive Member** – This is the members role in ensuring officers are complying with members approved policies and procedures. It also offers members the opportunity to scrutinise areas of concern.
- ◆ **Audit & Governance Committee** – Acts as the responsible body for governance at the Council and provides independent assurance of the adequacy of the risk management framework and associated control environment.
- ◆ **Council Management Team** – The role of council management team in the management of risk is that they operate as the conduit between the risk manager and elected members. They can pass risks referred to them by the Risk manager to members for consideration or they can pass them directly back to the group for action. They can also pass risks they have identified themselves back to the Risk Manager for analysis.
- ◆ **Emergency Planning** – This group looks after the risks to both the community at large and the council. This includes disaster recovery, crisis management, contingency and continuity planning.



- ◆ **Service Based Management Information Systems** – There are a number of control systems across the Authority some which are shared e.g. FMS (Financial Management System) and others that are specialist e.g. QLAS (Quantum Loss Analysis System).

Use of Risk Data

When all the current major strategic risks facing the organisation have been identified a profiled corporate risk register will be developed and the risks reviewed on an annual basis taking into account any risk management action that has been taken in order to mitigate them.

When all key strategic risks have been captured the same processes will be applied to operational risks ensuring that the risk management concepts and aims cascade down the organisation. The operational risks will again be profiled and added to the Authority's risk register.

This information can then be used to effectively manage potential opportunities and threats to the organisation achieving its objectives

Development, Review and Objectives

This is a dynamic strategy and it is intended that it will evolve as the concept of risk management is embedded into the authority as a whole. The risk management strategy will be reviewed annually by the Risk Manager.

The objective of the strategy is **S**pecific in that it will embed risk management into the organisation at all levels. When risks have been identified assessed and profiled, action will be taken where possible to reduce or eliminate the risk. The risk profile will be reassessed following appropriate action so a **M**easure of the risk improvement can be obtained. The action taken to control risks will be **A**greed by all parties involved. It is accepted that not all risk can be eliminated and that a proper analysis has to take place to ensure that only **R**ealistic and cost effective control measures are put in place. The implementation of risk management is a long-term plan and will not happen over night. The implementation will be properly **T**imetabled to ensure that all risks are identified and categorised at the appropriate time in the process.



City of York Council Insurance Strategy

The Insurance strategy at City of York Council is to provide a leading edge, comprehensive and flexible insurance service. This has been developed in consultation with its key stakeholders these being: -

- Internal Customers
- External Customers
- Insurers
- Elected Members

The main aim of the strategy is to maintain or reduce where possible the price of insurance and bring long-term stability to the cost of insurance premium. This will assist in facilitating Directorates future financial planning with regard to insurance costs. The two key strands to this are: -

- To retain as much financial risk 'in house' as is prudent to do so
- To purchase catastrophe cover only from the external insurance market

In order to achieve these aspirations the strategy is underpinned by a comprehensive analysis of past and future insurance trends and the implementation of risk management aimed at reducing the frequency and severity of insurable incidents occurring. This is achieved by: -

- The monitoring and evaluation of insurance trends, markets and performance of suppliers and agent
- Regular involvement in benchmarking exercises
- Regular tendering of the insurance contract through the OJEC procedures
- Premium being charged to internal departments on a 'risk and reward' basis
- Implementation of risk management measures into areas of high frequency claims



- Analysis of the Authority's historical claims experience to project future trend and allow policy excesses to be set at an appropriate the level.