

DERBYSHIRE COUNTY COUNCIL

CABINET

24 July 2012

Report of the Director of Finance

**RISK MANAGEMENT
(FINANCE AND MANAGEMENT)**

1 Purpose of the Report

To update Members on recent risk management developments and to approve certain key strategies.

2 Information and Analysis

2011 Risk Management Activity

During the last twelve months:

- A Claims Cost Reduction Exercise was commenced in partnership with our external claims handlers in an attempt to reduce the cost of our claims. The project involves, amongst other things, identifying lessons learned from liability claims and using these to reduce or prevent future recurrence of similar claims. Both our external claim handlers, Gallagher Bassett, and our internal claims handling teams are now operating to specific key performance indicators which are being used to monitor the effectiveness of the approach taken.
- Contractual Risk Management workshops were held for some Contract Managers and Procurement Staff. Following these workshops, guidance is being produced for Dnet in relation to insurance cover required by contractors and the implications of contract clauses on insurance policies and risk.
- Members of the Risk and Insurance Team have gained professional risk management qualifications.
- An independent review has been undertaken of the Authority's Risk Management Strategy and Policy which has been used in the refreshment of this documentation.

- Satisfaction questionnaires were circulated to internal and external service users and the results were very encouraging with most responses rating the provision of risk management as good or very good. Whilst a large number of responders were aware of some of the services Risk and Insurance provide, there were a few who felt they were not fully aware of the services or up-to-date contact details.
- Dnet and Schools' Extranet pages have been updated to reflect current information. Further revisions are planned as part of the Risk Communication Strategy.
- A Fleet and Driver Risk Management Review carried out by our Insurers ranked us 20 out of 114 authorities measured, with the Council achieving an overall score of 90%.

Risk Management Policy and Strategy Document

The Risk Management Policy and Strategy Document is reviewed annually and changes made to reflect the continuing development and embedding of risk management across the Authority. Although the document has been reviewed annually only minor typographical amendments have been necessary. However, the document has now been fully reviewed (with the assistance of our external insurance advisers - Gallagher Heath). Revised guidance issued earlier this year from the Association of Local Authority Risk Managers (ALARM) has also been considered in the re-issue of this document and content has been discussed in open forum with other selected public sector organisations. A few of the key changes relate to:

- Inclusion of a "sign-off" section for the Policy. Both the Leader of the Council and the Chief Executive would provide sign-off to the Risk Management Policy.
- Inclusion of risk appetite and retention statements.
- Inclusion of defined key performance indicators.
- Alignment to a recognised maturity model and statement of the success criteria to which we intend to work.
- Inclusion of related "Risk" documents within the appendices – Health and Safety Policy Statement, Business Continuity Strategy and Corporate Risk Financing Strategy.
- Inclusion of a new Risk Management Communication Strategy and Risk Management Training Strategy.

- Adjustment to the steps of the Risk Management process to align to new Risk Management Guidance available from ALARM.

ALARM Benchmarking carried out in 2011, and recent internal audits for Risk and Insurance, highlighted that although we have policy and strategy documents in place the process and culture of risk management is not fully embedded within the Authority. Some of this has been attributed to a lack of awareness. To address this issue, a Draft Risk Management Communication Strategy has been produced, along with a Risk Management Training Strategy. Following re-launch of the Strategy and Policy documents, it is expected that toolkits will be re-vamped and appropriate training initiated.

In order for risk management to become fully embedded it is important that the programme is supported by both Members and the senior management team.

The Risk Management Policy and Strategy will be reviewed for relevance annually by the Risk and Insurance Manager and the Director of Finance with any significant changes reported to Cabinet as appropriate. An in depth update will take place every four years in line with the Council Plan.

Corporate Risk Financing Strategy

Previously known as the Corporate Insurance Strategy, this document has been revised to recognise that risk can be financed through other means than insurance as the Council has a substantial capability for self-insurance. This view is supported by comments made in the Actuarial Review carried out in September 2011.

ALARM Benchmarking 2011

The Council took part in the ALARM/CIPFA (Chartered Institute of Public Finance and Accountancy) Benchmarking exercise during 2011.

The ALARM Benchmarking assigns scores within a scale of five maturity bands to seven strands of Risk Management activity. These bands range from **Engaging (Level 1)**, which represents a basic level of awareness, of the need to manage uncertainty and risk and provision of the resources to improve, through to **Driving (Level 5)** where senior management uses consideration of risk to drive excellence through the business, with strong support and reward for well-managed risk-taking. The Council has been measured as **Happening (Level 2)** in the area of how risk management contributes to achieving **Outcomes**. The Happening Band suggests that Councillors and senior managers take the lead to ensure that approaches for addressing risk are being

developed and implemented. This is one of the lower bands where some significant improvement could be achieved.

The **Working (Level 3)** band was attained in areas that looked at whether there are clear **Policies and Strategies** for risk and whether **People** are equipped and supported to manage risk well.

A much better performance in the remaining four strands was attained of **Embedded and Working (Level 4)**, where Risk Management is seen to be championed by the Chief Executive. These strands look at whether **Leadership and Management** support and promote risk management, and whether there are effective arrangements for managing **Partnerships and Resources**. Does the Authority have effective Risk Management **Processes** to support the business, are **Risks Handled** well and, is there **Assurance** that risk management delivers successful outcomes and supports creative risk taking?

In terms of the Benchmarking the Authority performed well against its peers.

Driving down the Cost of Risk

The cost of risk to our organisation is significant. Our total cost of risk includes insurance premiums, self-insured insurance claims, lost productivity (including pursuing claims, rectifying damage, and lost hours in terms of employee absence), impact on reputation and cost of risk mitigations.

The only way in which we can have any real impact on these costs is through the structured management of risk.

The level of our insurance premiums is driven by our claims experience. If, for example, we change the way in which we maintain or inspect roads, this can have a significant knock-on effect not only on our self-insured claims but also to the premiums our insurers charge.

In the last five years the following were the top areas of loss to the Council (by total value of claims paid and outstanding):

1. Highways (Defective Surfacing/Potholes)	£3,273,690
2. Material Damage (Fire)	£2,051,401
3. Highways (Ice/Snow)	£ 703,322
4. Highways (Ironworks)	£ 661,668
5. Schools Balance of Risks (Theft)	£ 566,750
6. Schools Balance of Risks (Water/Flood)	£ 562,408

Examples of areas that can be mitigated against include:

- Schools' property damage claims – weather related damage claims may be experienced if buildings are poorly maintained or drains blocked.
- Schools' Theft claims – Schools that do not have consistent minimum levels of security (or extra protection in more susceptible areas) may experience more claims.
- Highways Pothole claims – Continued adherence to the Highways Inspection Manual, good documentation, and repairs carried out in line with timescales. Having a good prevention process in place.

The Council's claims experience can be used to identify areas that may need particular attention, one area in which this is happening is under the Claims Cost Reduction Exercise mentioned previously.

3 Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

4 Key Decision - No.

5 Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report? No

6 Background Papers

Files held in the Risk and Insurance Section.

7 OFFICER'S RECOMMENDATIONS

- (1) That the revised Policy and Strategy Documents for Risk Management, Risk Financing, Risk Management Training and Risk Management Communication be approved and endorsed by Cabinet.
- (2) That the progress in Risk Management in the past twelve months be noted.

PETER HANDFORD

Director of Finance

Derbyshire County Council

Corporate Risk Management Policy & Strategy
DRAFT

May 2012

Version History			
Version	Date	Detail	Author
1.0	March 1994	Initial issue	Simon Beasley
2.0	April 2004	Revised	Tom Smith
3.0	Nov 2007	Revised	Tom Smith
4.0	2008	Revised	Tom Smith
5.0	April 2009	Revised	Tom Smith
6.0		Minor typographical changes	Adela Green
7.0	May 2012	Complete Re-issue	Adela Green

Table of Contents

1	Introduction	1
2	Aims and Objectives of the Risk Management Strategy	2
2.1	Risk management and corporate governance	2
2.2	Risk Management aims	2
2.3	Risk Management objectives	2
3	Corporate Risk Management Policy Statement	4
4	Risk Appetite statement	4
4.1	Risk retention threshold	5
5	The Risk Management Process	6
5.1	A diagrammatic representation	6
5.2	Corporate, strategic and cross-cutting risks	7
5.3	Departmental risks	7
5.4	Project and partnership risks	7
5.5	Monitoring	7
5.6	Embedding	7
6	Risk management roles, responsibilities and resources	9
6.1	Chair of Audit Committee	9
6.2	Elected members - Council, Cabinet, Audit & Scrutiny Committees	9
6.3	Chief Executive	9
6.4	Director of Finance	9
6.5	Chief Officer group	9
6.6	Chief Officers and Senior Management Teams	10
6.7	Operational managers	10
6.8	All employees, contractors and partners	10
6.9	Risk & Insurance Manager	10
6.10	Risk Management Group	11

6.11	Strategic Risk Review Team (Director of Finance & Risk & Insurance Manager)	12
6.12	Project/Partnership Boards	12
6.13	Internal Audit	12
6.14	Skills and expertise	12
6.15	Resources/funding	12
7	Performance Management	13
7.1	Alignment to a risk management maturity model	13
7.2	Success criteria	13
7.3	Risk management performance indicators	13
APPENDIX A	Risk Management Assurance and Governance Framework	1
APPENDIX B	Strategic and Operational Risk Categories	2
APPENDIX C	Corporate Health & Safety Policy Statement	3
APPENDIX D	Corporate Risk Financing Policy Statement	5
APPENDIX E	Business Continuity Management Policy Statement	Attached
APPENDIX F	Risk Management Training Strategy	14
APPENDIX G	Risk Management Communication Strategy	18
APPENDIX H	Corporate Risk Management Action Plan 2012-14	24

1 Introduction

Our Vision for Derbyshire is ensuring a strong, self-confident and proud Derbyshire that maximises its opportunities and minimises its risk exposure.

Risk Management is now generally acknowledged as a key feature of public sector management. It is integral to the Corporate Governance Framework. Good Corporate Governance helps to reduce risk, stimulate performance, improve access to capital, enhance services, value for money, improve leadership and demonstrates transparency and social accountability.

How successful we are in dealing with the risks we face can have a major impact on the achievement of our key promises, objectives and service delivery to the community. The Risk Management Strategy will help support and underpin our priorities.

We seek continuous improvement and Risk Management is a framework by which managers can review, manage and respond to risk (both threats and opportunities) in a robust, systematic and documented way. We live in an uncertain world and whether we choose to recognise and manage risks or ignore them, will dictate the impact they have on our organisation and its future.

The benefits we gain in managing risk are improved strategic, operational and financial management. An effective Risk Management framework provides continuity of knowledge and information management processes, improved compliance and, most importantly, improved service delivery.

This Corporate Risk Management Strategy also sets out Derbyshire County Council's:

- **Corporate Health and Safety Policy Statement** and arrangements for managing health and safety throughout the organisation in accordance with Health and Safety at Work Act 1974 and other statutory requirements.
- **Corporate Risk Financing Policy Statement** and arrangements for managing the Authority's insurance programme, ensuring compliance with insurance related statutory regulations and requirements.
- **Business Continuity Policy Statement** and arrangements for managing business disruptions throughout the organisation in accordance with the Civil Contingencies Act 2004.

Also relevant is the Internet and email Policy and Safe Haven Guidance available on Dnet which deals with arrangements for managing information sharing, and information security throughout the organisation in accordance with the Data Protection Act 2003 and the Freedom of Information Act 2000.

This strategy has been reviewed in the light of the major changes within Derbyshire County Council and Local Government to ensure the effectiveness of Risk Management arrangements. Details of **the Risk Management Assurance and Governance Framework** and reporting arrangements are provided in **Appendix A**.

2 Aims and Objectives of the Risk Management Strategy

2.1 Risk management and corporate governance

Risk Management is an integral part of the Corporate Governance Framework at Derbyshire County Council.

The Corporate Risk Management Strategy will assist the Council in practising good corporate governance by reducing risk, stimulating performance throughout the Council, improving access to capital, enhancing the services, value for money and improving leadership, transparency and social accountability.

How successful we are in dealing with the risks we face can have a major impact on the achievement of our key objectives and service delivery to the community. The Corporate Risk Management Strategy will help support the Corporate agenda and underpin the Council's main priorities:

- *Leading the way*
- *Good use of public money*
- *Raising Aspirations*
- *High quality personalised services that meet individual needs*
- *Places where people want to be*

Full detail of the Council's Objectives can be found in the Council Plan for 2010-2014 which is published on the Council's Website.

2.2 Risk management aims

The aims of the council's Corporate Risk Management Strategy are:

- Integration of Risk Management into the culture of the Council
- Raising awareness of the need for the management of risks by all those connected with the delivery of services (including partners, delivery agents etc)
- Enable the Council to anticipate and respond to changing social, environmental, legislative, political, economic, technological, competitive and citizen requirements, and manage change effectively
- Minimisation of injury, damage, loss and inconvenience to residents, staff, service users, assets etc, arising from or connected with the delivery of Council services
- Introduction of a robust framework and procedures for identification, analysis, assessment and management of risk and the reporting and recording of events, based on best practice
- Minimisation of the total cost of risk
- Support risk-informed decision-making and encouraging innovation, taking proper account of threats and opportunities
- Ability to respond to emergency situations and manage business interruptions so as to minimise disruption of services

2.3 Risk management objectives

The Objectives of the Corporate Risk Management Strategy are to:

- improve the quality and reliability of services, leading to more satisfied residents, fewer complaints and maintaining the reputation of the Council
- Management of risks is embedded as part of the Council's culture and the commitment communicated throughout the organisation
- Risk management is incorporated into strategic and local partnership working; and corporate, service and business planning processes
- Provide and use a robust and systematic framework for identifying, managing, responding to and monitoring risk
- Provide assurance, through risk reporting, of a robust management system for responding to risk
- Provide a comprehensive Risk Management training and awareness programme
- Manage risk in accordance with best practice and ensure compliance with statutory requirements
- Ensure critical services are identified and prepared for all eventualities
- Provide key risk management performance information for management
- Review and monitor our partnerships and other stakeholders management of risk

3 Corporate Risk Management Policy Statement

Derbyshire County Council ('The Authority') recognises that risk management is a vital activity that both underpins and forms part of our vision, values and strategic objectives, including those of operating effectively and efficiently, as well as providing confidence to our community. Risk is present in everything we do and it is, therefore, our policy to identify, assess and manage the key areas of risk on a proactive basis. We seek to embed risk management into the culture of Derbyshire County Council and the behaviour of all people involved in the management, operation and development of the Authority. Risk management needs to be embedded throughout all processes, projects and strategic decisions, including procurement and contracting which will ensure partnerships and third party relationships are all fully compliant with this risk management policy and strategy.

The aim for our risk management framework is that it will be fit for purpose, reflect our size and the nature of our various operations and use our skills and capabilities to the full. In order for risk management to be most effective, and become an enabling tool, we must ensure we have a robust, consistent, communicated and formalised process across the Authority.

In order to obtain a clear picture of which risks will threaten our ability to achieve objectives, it is important that the level of risk which the Council considers acceptable for the organisation to be exposed to, that is our risk appetite, is defined and prioritised.

This Risk Management Policy Statement and supporting documentation form an integrated framework that supports the effective management of risk. In implementing our management of risk system, we seek to provide assurance to all our stakeholders that the identification and management of risk plays a key role in the delivery of our strategy and related objectives.

We will involve, empower and give ownership to all of our staff in the identification and management of risk. Management of risk activity will be regularly supported through discussion and appropriate action by the Senior Management Team. This will include a thorough review and confirmation of the significant risks, evaluating the mitigation strategies and establishing supporting actions to be taken to reduce them, when necessary, to an acceptable level.

4 Risk appetite statement

This statement details the level of risk related to our corporate objectives that we are willing to accept within our capacity. ***It is an interim statement that will be reviewed to reflect best practice guidance, currently being developed, and expected later in 2012.***

We are a risk embracing Authority which understands the importance of risk taking and accepts that there is an element of risk in most of the activities we undertake. The level of risk we are willing to take is intrinsically linked to each of our corporate objectives and, for this reason, it has been accepted that our risk appetite should not be prescriptive.

Our risk appetite should depend on which of our corporate objectives would be affected by the risk and the impact the risk would have on that objective should it materialise. This flexible approach is seen as the best way to allow us to make informed decisions in respect of each risk situation.

To assist in the decision making process, and to help with prioritisation, we have agreed to apply a general level of risk retention (see below). However, this does not mean that in every case, risks falling below the line of retention require no action and vice versa.

4.1 Risk retention threshold

The following information details how we will apply our risk appetite in practice. Below is the risk scoring matrix we use to determine the risk score.

	Rare	Unlikely	Possible	Likely	Almost Certain
Catastrophic	5 ↑	10 ↑	15 ↑ ↑	20 ↑ ↑ ↑	25 ↑ ↑ ↑
Major	4 =	8 ↑	12 ↑ ↑	16 ↑ ↑	20 ↑ ↑ ↑
Moderate	3 =	6 ↑	9 ↑	12 ↑ ↑	15 ↑ ↑
Minor	2 =	4 =	6 ↑	8 ↑	10 ↑
Insignificant	1 =	2 =	3 =	4 =	5 ↑

PROBABILITY

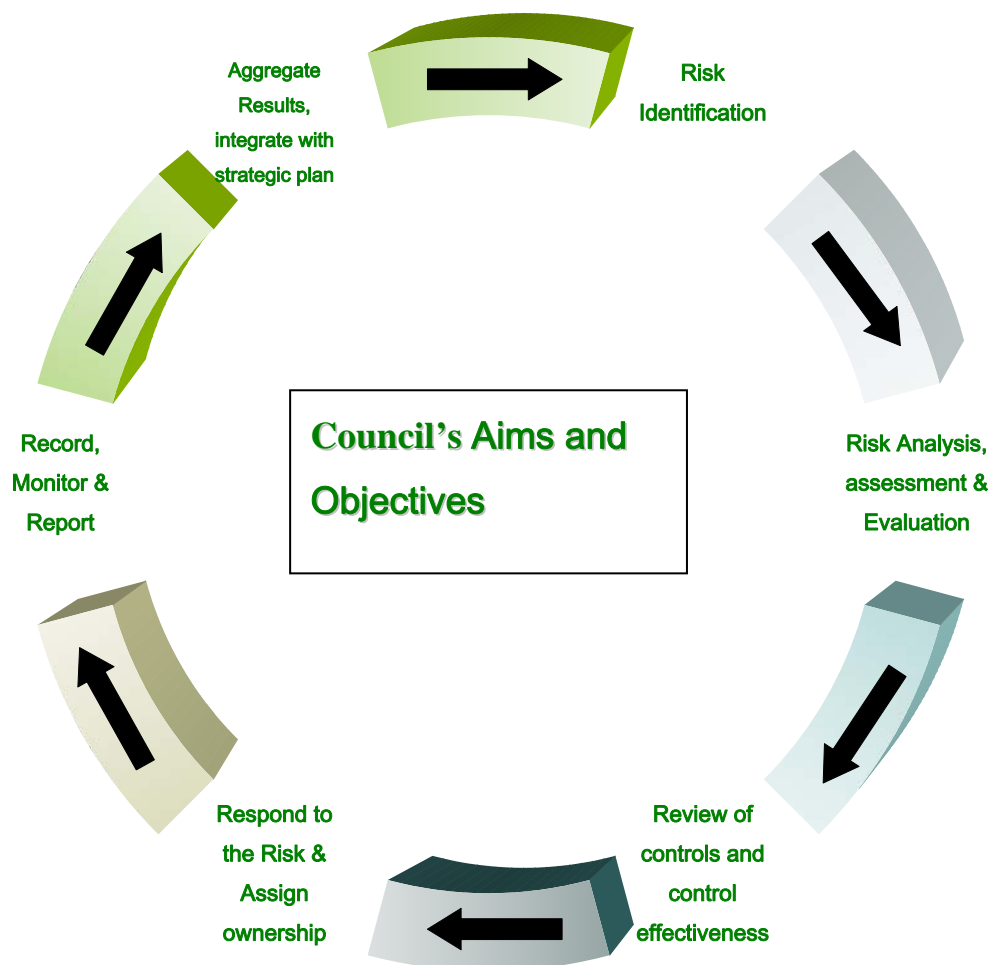
Identifying and ranking risks is important but the key element thereafter is to determine the strategy for managing them. The following table provides guidance on the level of management intervention that is likely to be necessary or appropriate.

Level of Risk	Indicated by	Management action required
Very high (20-25)	Red ↑↑↑	Requires active management High impact and high probability means risks require active management to manage down and maintain exposure to an acceptable level
High	Amber ↑↑	Contingency Plans A robust contingency plan may suffice together with early warning mechanisms to detect deviations from profile
Medium	Blue ↑	Good Housekeeping May require risk mitigation to reduce the likelihood, if this can be done cost effectively. But good housekeeping should ensure that the impact remains low. Reassess frequently.
Low	Green	Review Periodically Risks are unlikely to require active management but they should be reviewed frequently to ensure they have not escalated

5 The Risk Management Process

5.1 A diagrammatic representation

The Council's Risk Management Process is summarised below.



5.2 Corporate, strategic and cross-cutting risks

Strategic and operational risks are set out diagrammatically in Appendix B. An exercise will be undertaken quarterly, co-ordinated by the Strategic Risk Review Team (see 6.11), using the Council's scoring methodology. The aim will be to identify the "Key risks" and critical success factors, from the departmental risk registers. The key risks will be detailed in the strategic risk register.

This exercise will provide Members and Chief Officers with a central record of corporate risks, to ensure financial and political consideration is given to risks in the service planning and budget process, reserves planning and the Medium Term Financial Plan.

5.3 Departmental risks

Departments will undertake a risk profiling exercise at least annually, as part of service planning and use risk assessment matrices to assess probability and consequences to:

- Review corporate risks in context of their respective service
- Identify service specific risks
- Identify new and emerging risks
- Rank all of their risks in context of delivery of service
- Prioritise risks for management action
- Monitor previous mitigation strategies
- Identify risk mitigation strategies
- Assign responsibilities
- Set time-scales
- Evaluate budget implications and factor them into the base budget process
- Integrate risk management implications into Service Plans
- Feedback progress to the Strategic Risk Review team for inclusion in Corporate Risk Register

5.4 Project and partnership risks

Risk registers for all major project and significant partnership risks will be developed and up-dated at planning, development and implementation stages.

Departments will also consider the risk implications relating to other projects and partnerships and include them in departmental registers, as appropriate. The Risk Management Toolkit, and the Partnership Toolkit are available to assist managers in undertaking these appraisals.

5.5 Monitoring

Progress of actions in the risk registers will be monitored by the Strategic Risk Review Team and reported annually to Members and Chief Officers.

5.6 Embedding

Risk Management will be embedded into the culture of the Council by:

- Chief Officers including risk management as a regular item on Departmental Management Team agendas to ensure that the risk registers are reviewed monthly and record the changes in the Minutes of the Meetings
- Chief Officers including risk considerations in Cabinet and CABCO reports, in respect of strategic policy decisions and project initiation documents
- The Risk and Insurance Manager inducting new Senior Officers into the Risk Management structure during the risk review process
- Ongoing consultations with the recognised Trade Unions
- Workshops and facilitation sessions for partnerships and projects to train the officers and equip them with knowledge and transferable skills to be used in general management of the service, and other partnerships and projects, in which they become involved.
- Risk awareness Toolkits for Members and Officers displayed on Dnet
- Awareness and training sessions for Members and Employees, in accordance with the Risk Management Training Strategy
- Compliance with the Risk Management Communication Strategy (including, for example, Risk Management section on Dnet, Articles in 'Workforce' and payslip enclosures to raise awareness of risk management and the role of all employees)

6 Risk management roles, responsibilities and resources

Roles and responsibilities for risk management are as set out below:

6.1 Chair of Audit Committee
Member Risk Champion for risk management taking responsibility with the Chief Executive for embedding risk management throughout the Council.
6.2 Elected members – Council, Cabinet, Audit & Scrutiny Committees
<ul style="list-style-type: none">• Approve the risk management strategy, framework and process• Help to identify strategic, corporate and cross-cutting risks• Consider the risks included in the Corporate Risk Register and be aware of how they are being managed• Consider risk management priorities as part of the budget process• Monitor progress on managing all risks included in the Corporate Risk Register• Receive reports on risk management activity• Approve expenditure on risk management projects as required by financial regulations• Agree the levels of risk the Authority is willing to accept in the context of sound financial management, whilst recognising that a certain level of risk is necessary to encourage innovation
6.3 Chief Executive
Officer Risk Champion for Risk Management taking responsibility with the Chair of Audit Committee for embedding Risk Management throughout the Council
6.4 Director of Finance
<ul style="list-style-type: none">• Ensure that significant risks and their financial implications are considered by Elected Members as part of the budget setting process• Report to Chief Officer Group and Elected Members on the outcome of the Quarterly Risk Reviews• Lead Officer of the Strategic Review Team (see below)• Chair of the Risk Management Group
6.5 Chief Officer Group
<ul style="list-style-type: none">• Provide a strategic overview of the risk management arrangements• Recommend to Members a Corporate Risk Management Strategy, Framework and Process• Identify and quantify the risks that may impact adversely on the delivery of corporate and service objectives

6.6 Chief Officers and Senior Management Teams

- Consider departmental risks in service delivery planning and agree risks to form the Corporate Risk Register
- Identify and agree current risk mitigation actions and future strategies for all risks to which each individual service department is exposed, with defined action plans, time scales and responsibilities.
- Maintain and update Corporate and Departmental Risk Registers
- Review risks monthly and record the changes in the minutes of the meetings
- Monitor progress on managing risks and linkages to performance management
- Ensure that risk management considerations are included in all service/business plans
- Ensure that risk management considerations are included in all Cabinet and CABCO reports in respect of strategic policy decisions and project initiation documents
- Identify new and emerging risks
- Embed risk management within their operations and awareness amongst employees, assisted by the Risk and Insurance Manager
- Receive reports on risk management activity

6.7 Operational Managers

- Identify the opportunities and risks associated with service planning decisions, significant partnerships and projects
- Identify new and emerging risks or problems with managing known risks, and report them to their line manager
- Continually assess known risks to identify when they may need to be escalated to a higher level
- Manage risk in the context of their service delivery
- Implement the approved programme of risk mitigation
- Use the Risk Management Toolkit as appropriate
- Receive training in risk management

6.8 All Employees, Contractors and Partners

- Identify new and emerging risks, or problems with managing known risks, and report them to their line manager.
- Maintain risk awareness in carrying out their duties and raise issues with managers/supervisors
- Contribute to the risk management process
- Manage risk effectively in their job
- Identify and share best practice

6.9 Risk & Insurance Manager

- Promote the Council's Risk Management Strategy and ensure that it is implemented at all levels of the Authority
- Work with Chief Officers to:

- Identify the principal risks facing the Authority and agree a corporate risk ranking
- Identify existing risk mitigation strategies
- Formulate and agree future mitigation strategies, define timescales, and identify Officers responsible for implementation of strategies
- Review progress at agreed intervals and report to Chief Officers and Members as required
- Maintain and update the Corporate Risk Register
- Prepare reports for Chief Officer Group and Elected Members
- Advise on the development of risk registers for major corporate projects and significant partnerships and ensure that they are reviewed and up-dated at the planning, development and implementation stages of the project/partnership
- Be part of the Strategic Risk Review Team (see 6.11 below)
- Co-ordinate the work of the Risk Management Group
- Identify best risk management practice through contact with other risk management professionals and membership of external bodies, such as ALARM ¹the Association of Local Authority Risk Managers. To share experiences and good practice on risk across the Council
- Identify new and emerging risks
- Produce good practice risk management guidelines and advice for Members and Officers of the Authority
- Support the delivery of training programmes in accordance with a RM Training Strategy
- Induct new senior officers into the risk management structure during the risk review process.
- Facilitate and lead workshops and risk sessions for partnership and projects to train the officers and equip them with knowledge and transferable skills to be used in general management of the service and other partnerships and projects in which they become involved.

6.10 Risk Management Group

- The Group meets as required to deal with Council wide issues and to formulate draft corporate policies and procedures. It is chaired by the Director of Finance and comprises representatives from the relevant Service Departments and the Risk and Insurance Manager. Officers from Derbyshire Constabulary and Derbyshire Fire and Rescue will be invited to join the group as required.
- Members of the Group will be consulted on proposals for significant expenditure.

6.11 Strategic Risk Review Team (Director of Finance and Risk & Insurance Manager)

- Review the Risk Management Policy and Strategy, at least annually, for best value in best practice every four years in line with the Council Plan and initiate improvements as may be required.

¹ The Public Risk Management Association

- Review and up-date the Annual Governance Statement
- Meet with Departments as necessary to review Risk Registers
- Collate the changes to the Departmental Registers and ensure that the Corporate Risk Register is amended to reflect these changes
- Consider which risks are appropriate for inclusion in the Corporate Risk Register using a number of key tests
- Report the outcomes to the Chief Officer Group and Members

6.12 Project/Partnership Boards

- Receive reports on risk management activity
- Review and monitor the risks identified on the relevant project/partnership risk registers, ensuring that suitable controls are in place and working, or that plans are being drawn-up to bring in further controls
- Ensuring the active management of key stakeholders in the management of risk where appropriate.

6.13 Internal Audit

- Prepare Strategic and Operational Audit Plans taking account those risks identified in Corporate/Departmental Risk Registers, together with underlying financial, operational and reputational risks resulting from the Authority's activities
- Monitor changing risk profiles based on audit work undertaken, adapt future audit work to reflect these changes and inform Chief Officers and the Risk and Insurance Manager accordingly
- Evaluate compliance with the corporate risk management strategy
- Review the Authority's risk management arrangements and associated systems

6.14 Skills and expertise

The Council's Risk Management Training Strategy is designed to equip stakeholders with the skills and expertise necessary to meet their stated roles and responsibilities. It is attached at Appendix F.

6.15 Resources/funding

The Corporate Risk Register will inform the Annual Budget Setting Process and Long Term Financial Plan.

The Council will determine annually the budget to support risk management capital and revenue expenditure.

Requests from service departments and establishments, for financial support for risk management measures will be considered in accordance with Financial Regulations. Departments and establishments will be expected to evidence their commitment to the measures they are proposing through contributions from their individual capital and/or revenue budgets.

7 Performance management

7.1 Alignment to a risk management maturity model

The Council will align itself to the recognised benchmarking model issued by ALARM (Association of Local Authority Risk Managers). The Benchmarking Club will be used to formally benchmark on a biennial basis against other Local Authorities. In the interim years the tool will be used on a self-assessment basis when no benchmarking will be sought.

7.2 Success criteria

An acceptable level of success under the ALARM Benchmarking model would be the “Happening” Category and attainment of this level in each category will be seen as an absolute minimum. However, the Council will strive to achieve the *Embedded and Integrated rating for all areas in the ALARM/CIPFA Benchmarking Club which would place it in the top tier of Local Authorities in terms of Risk Management success.*

7.3 Risk management performance indicators

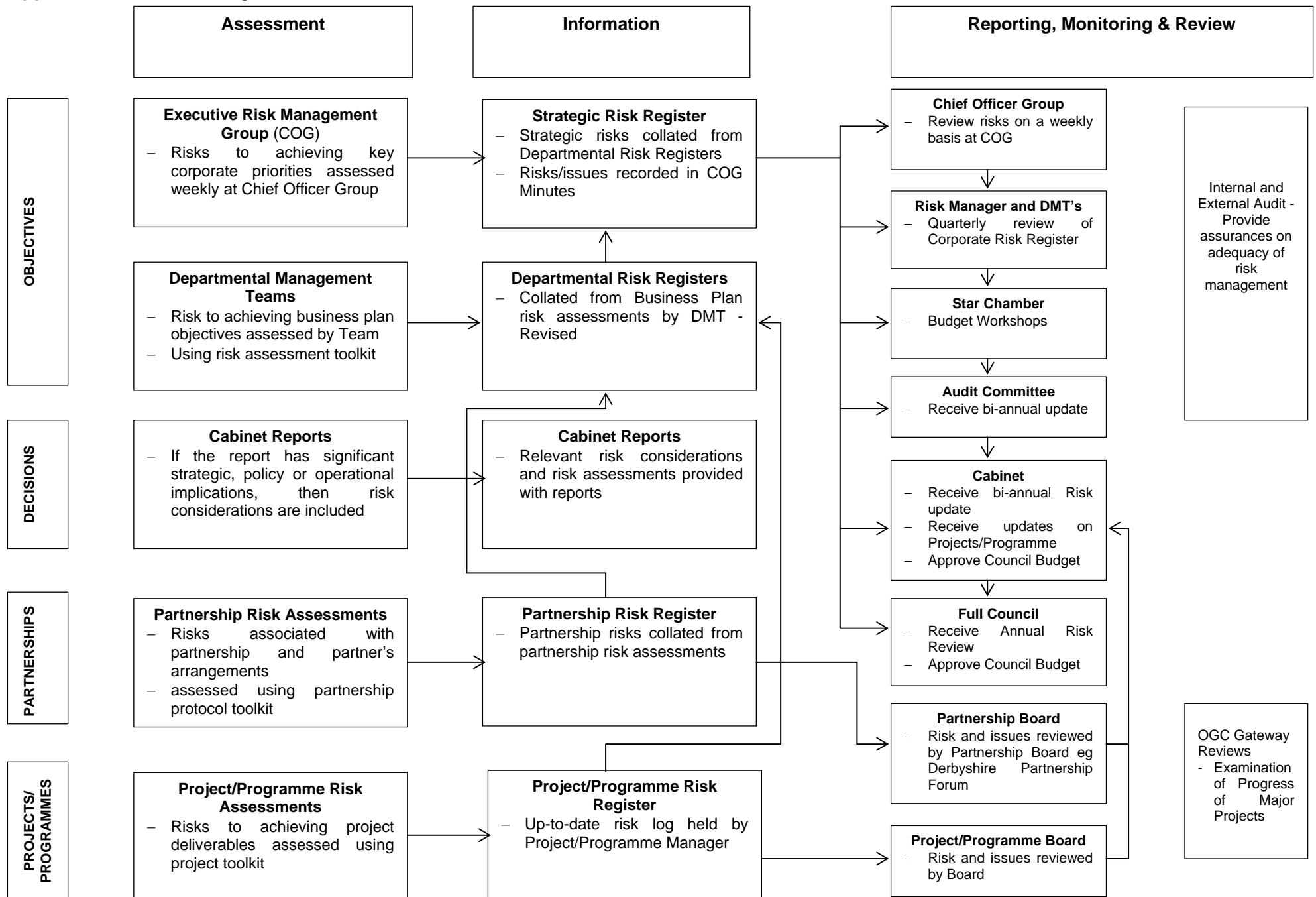
Performance is measured against the following outcomes:

1. Customer Perception Surveys demonstrate no less than 65% satisfaction with Council services
2. an Annual Survey of Council staff shows that no less than 65% of staff are aware of the Corporate RM Policy and consider that RM is embedded within the culture of the organisation
3. an Annual Survey of Council staff shows that no less than 40% of staff consider that RM supports innovation
4. an Annual Survey of Council staff shows that no less than 65% of staff consider that roles and responsibilities with regard to RM are fully understood
5. a Risk Management Framework, consistent with the guidance set out in the Partnership RM Toolkit (and including a current risk register), is in place for all significant partnerships
6. all Business Plans (at all levels) include a Risk Register, developed in accordance with the RM toolkit
7. Risk Management reports show a stable, or ideally downward trend, in reportable incidents (eg insurance claims, RIDDOR/Health & Safety incidents, information security incidents) and major business disruptions
8. the Council demonstrates good practice by achieving its target level of RM maturity
9. 60% of stakeholders have received relevant training in accordance with the RM Training Strategy **and** provided positive feedback to suggest improvements in skills and expertise
10. internal audit reviews of our partnerships and other stakeholders management of risk have provided acceptable assurance
11. Risk Registers are updated and submitted by each Department in accordance with the timetables set.

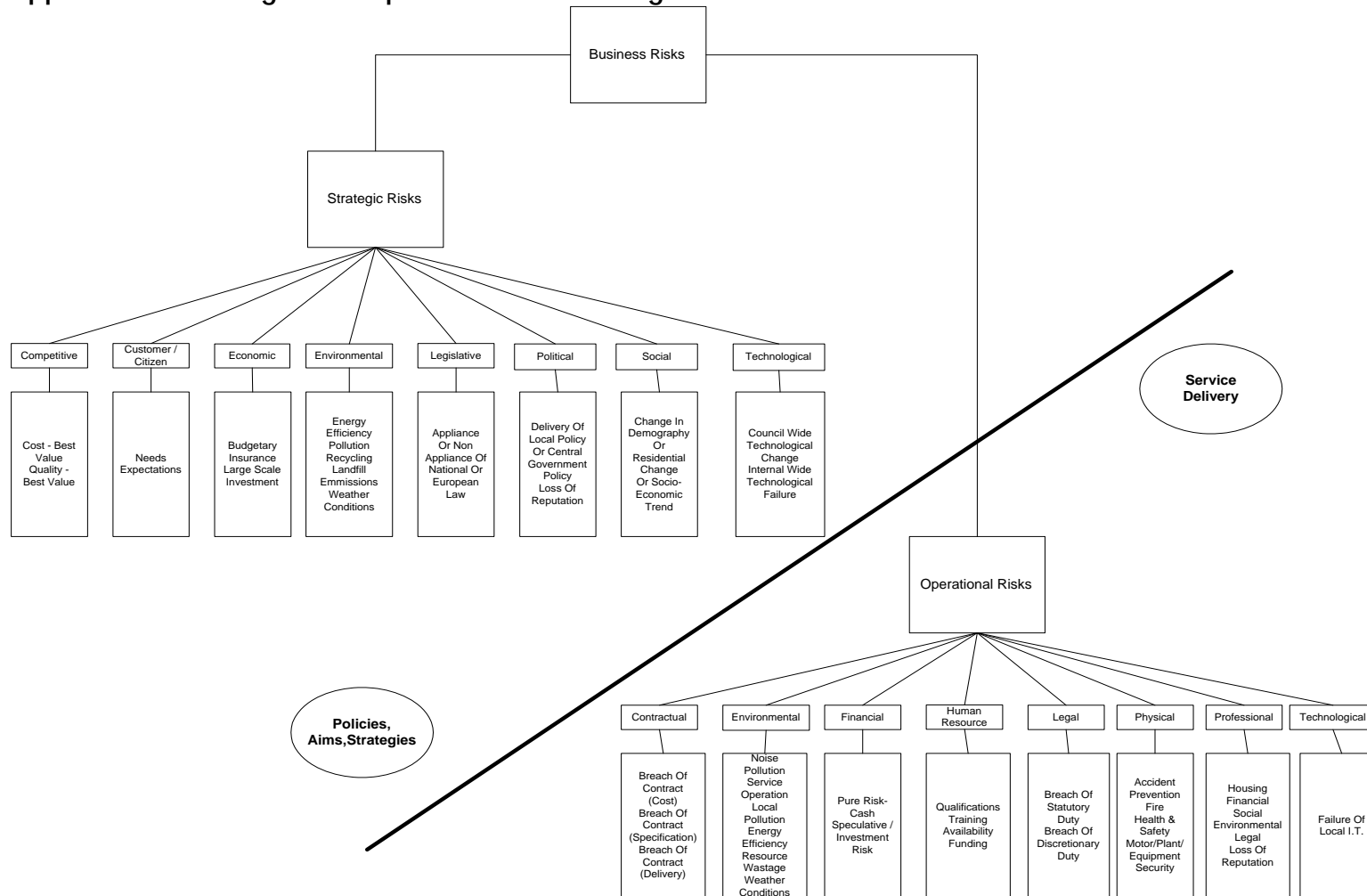
Managing risks will be an integral part of both Strategic and Operational Planning and the day-to-day running, monitoring and development of Derbyshire County Council for the benefit of residents, staff and our partners.

Signed: _____ **Signed:** _____
Leader *Dated:* *Chief Executive* *Dated:*

Appendix A: Risk Management Assurance and Governance Framework



Appendix B: Strategic and Operational Risk Categories



Corporate Health and Safety Policy Statement

Derbyshire County Council recognises that its employees are its most important resource. They are the key element in providing effective and efficient services to the people of Derbyshire.

All necessary steps will be taken to meet statutory responsibilities under the terms of the Health and Safety at Work Etc Act 1974 and supporting legislation to secure the wellbeing of its employees and others who may be affected by the services provided by the Council.

To achieve optimum employee wellbeing, the Council will actively seek to involve all employees in the promotion of a safe and healthy working environment.

The Council's strategy for managing health and safety will focus on the effective planning, organising, monitoring, control and review of its activities.

In particular the Council will:


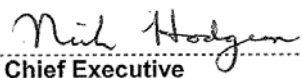
- Strive to be exemplars of health and safety management practice.
- Work enthusiastically and in the spirit of co-operation to engender a positive safety culture.
- Proactively control the risks to employees by the systematic application of preventative and protective measures within a risk assessment framework.
- Consult with the workforce both directly and through their trade union representatives in order to improve health and safety performance.
- Ensure that adequate resources are allocated to secure the wellbeing of its employees.
- Ensure that there is a designated person nominated at Member and Chief Officer level to help raise standards and ensure health and safety is considered as part of the Council's policy decision making process.
- Ensure that health and safety management is incorporated into the corporate performance monitoring and reporting arrangements.
- Implement systems to ensure contractors employed by the Council meet required health and safety standards.

H&S.07.001.jd
13 July 2009

- Promote a high standard of occupational health provision aimed at ensuring the wellbeing of the workforce combined with an effective rehabilitation programme.
- Provide appropriate health and safety training for all employees in order for them to undertake their activities safely.
- Ensure that it has sufficient competent persons in place to provide advice on all aspects of employee wellbeing.

The Corporate organisational responsibilities and arrangements for implementing this policy are available on DNet.

This Statement of Policy and its associated arrangements will be kept under review and any revisions will be brought to the notice of all employees.

Signed: 	Signed: 
Leader of the Council	Chief Executive
Date: 17/8/2009	Date: 12/8/2009

Review Date: July 2009 (JD)

H&S.07.001:jd
13 July 2009

DERBYSHIRE COUNTY COUNCIL

CORPORATE RISK FINANCING STRATEGY

<i>Version History</i>			
<i>Version</i>	<i>Date</i>	<i>Detail</i>	<i>Author</i>
1.0	22/06/2004	Initial issue	Martin Brassington
2.0	Mar 2007	Minor changes	Martin Brassington
3.0	8/12/2009	Minor typographical changes	Martin Brassington
4.0	14/5/2012	Complete Re-issue	Adela Green

Table of Contents

1	Aims and Objectives.....	8
2	Risk Financing.....	8
3	Use of Insurance Brokers.....	9
4	Dealing with Zurich Municipal (ZM).....	9
5	Procurement of Insurance Cover.....	10
6	Claims Handling.....	10
7	Financial Management	10
	7.1 Management of Insurance Provisions and Reserves.....	10
	7.2 Premiums and Contributions to Insurance Provisions & Reserves.....	11
8	Review.....	12

1. Aims and Objectives

- 1.1 The County Council is committed to ensuring that it maintains an optimum balance between internal and external insurance within a framework of prudent financial management.

In determining the balance between internal and external insurance the County Council will seek to;

- 1.1.1 Insure risks internally where it is financially prudent and advantageous to do so
- 1.1.2 Ensure that internal funding is adequate to meet the claims that it will be required to pay
- 1.1.3 Purchase external insurance or arrange cover through an alternative risk transfer arrangement;
 - where required by statute
 - to cover catastrophe exposures in terms of large, single losses
 - limit the financial exposure of the Council to the cumulative effect of multiple small losses
 - where there is a requirement to insure e.g. under the terms of a contract or lease, and the third party insists that external insurance be purchased
 - To cover individual losses in excess of the Internal Insurance Fund's capacity and specific risks that could be potentially detrimental to the Insurance Fund.

- 1.2 The Council's Risk and Insurance officers will work closely with Chief Officers to:

- Provide cost effective insurance protection that supports their service delivery aims
- Identify specific areas of new or changed service delivery (for example, in the areas of partnership working) where current policy cover may need to be extended to support the expanded role of a service.

2. Risk Financing

The following framework details how the Council will achieve its aims and objectives.

Accepting that external insurance is not a financially efficient transaction with its associated frictional costs (for example, insurer's profit and Insurance Premium Tax)

accounting for circa 30% of the premium; the long term objective is to self insure to the highest possible levels where the cost benefit case can be proved, while also securing an acceptable level of financial certainty in respect of year-on-year costs.

The Council seeks to self insure low value losses and high value losses which are incurred in sufficient numbers to be capable of being accurately forecast and financed. Self insurance will always be subject to insurance protection which limits the exposure to the cost of single losses and/or the aggregate cost of losses.

The levels of self insurance will be reviewed at least every two years to ensure that the optimum balance between self insurance and external insurance is maintained.

3. Use of Insurance Brokers

With the exception of Zurich Municipal Insurance (see para 4) the insurance industry transacts business through insurance brokers. Therefore, the Council appoints brokers in order to secure:-

- access to all possible insurance providers
- independent advice and information on insurance and risk management matters
- training on specialist risk issues
- assistance with the analysis of claims trends to determine the optimum balance between internal and external insurance;
- assistance with the preparation of tender documentation and management of the insurance tender process
- assistance and advice with the evaluation of insurance tenders

Brokers are appointed for a fixed period of between three and five years, and on expiry of the contract the service is market tested in accordance with the Council's Financial Regulations.

4. Dealing with Zurich Municipal (ZM)

ZM are a principal provider of insurance to the public sector. The company is a direct service provider and will not quote via the Council's brokers as intermediaries. The Council recognises the importance of ZM as an insurance market and will ensure that appointed brokers manage insurance tenders to ensure equal treatment of all insurers.

Insurers will be selected to tender in accordance with the rules set out under the Public Procurement legislation on grounds of financial and economic standing and the technical capability of providing the required service.

During the tender process ZM will be given the same information as other insurers and the same timeframe to respond. The Council will require all insurance tenders to be sent direct to the Council for logging, before copies are given to the appointed brokers for evaluation.

The Council's officers and the appointed brokers will evaluate ZM's quotations alongside the submissions from other insurers.

5. Procurement of Insurance Cover

Insurance or other forms of alternative risk transfer will be procured in accordance with the external regulatory requirements applying at the time (eg. *OJEU* procedures) and the Council's Financial Regulations. The procurement process will be administered by the Council's appointed brokers under the direction of the Director of Finance.

Subject to availability, and the terms being advantageous, the Council will seek fixed term contracts or long term agreements.

6. Claims Handling

Claims handling will be reviewed prior to each insurance tender and the balance of using internal resources and external service providers will be set after consideration of:-

- The level of resources and expertise available within the Council
- The specific requirements of insurers for the claims handling process to be used
- The cost benefit analysis of available options.

When considering the value of alternative options, the Council will consider the relative cost of using internal and external resources, as well as the effect of each option on the total cost of claims to the Authority.

7. Financial Management

7.1 Management of Insurance Provisions and Reserves

The Council's Insurance Provisions and Reserves are established to pay claims:

- that fall between the external policy excess and the excess chargeable to the relevant department
- on risks that are entirely self-insured

The Provisions and Reserves are established by charging premium contributions to the service revenue budgets (see 7.2) and by annually applying an average interest rate

The Council will operate the Insurance Provisions and Reserves in accordance with the accounting regulations FRS12 (Provisions, Contingent Liabilities and Contingent Assets) and LAAP77 (Local Authority Reserves and Balances Bulletin).

The **Provision** will cover losses where:-

- The Council has a present obligation as a result of a past event
- It is probable that a transfer of economic benefits will be required to settle the obligation, and
- A reliable estimate can be made of the amount of that obligation

The Council will base the scope of the Provisions on the recommendations of an Independent Actuary and an internal assessment of self insured short tail property losses.

The **Reserve** will cover:-

- Sums held to meet potential and contingent liabilities, where these liabilities do not meet the requirements of FRS12
- Losses where the possibility of payment required to settle the obligation is more remote (ie unlikely or incurred but not reported).

The scope of the Reserve is to cover exposures such as the claw-back and discounting of claims under the terms of the Municipal Mutual Insurance Ltd Scheme of Arrangement, environmental liabilities and new and emerging types of claim.

The Council funds self insured losses on a “claims occurring” basis, that is to say that the Council calculates annual contributions on the basis of the forecast ultimate cost of claims arising from the occurrences during the financial year, discounted by the time value of money over the period that claims take to settle.

The Director of Finance will commission regular valuations of Provisions and Reserves by an Independent General Insurance Actuary to ensure that balances are sufficient to meet claims. Any correction to funding levels will be made as required.

7.2 Premiums and Contributions to Insurance Provisions & Reserves

Premiums and Contributions to Insurance Provisions and Reserves will be charged to Service Department Revenue Budgets. Contributions will be calculated using an appropriate basis that reflects both exposure to risk (eg sum insured) and the claims history. They will comprise:

- The external premium, including insurance premium tax, that is payable to the insurer or alternative risk transfer provider
- The internal premium required by Provisions and Reserves to meet the cost of self-insured claims that the Council is required to pay
- External claims handling and broker services fees, including any applicable taxes.

The allocation of premium will generally be based upon the following equation:

$$\text{Liability Policies} = 25\% \times (\text{Department Salaries/Total Salaries}) + 75\% \times (\text{Individual Department 5 year Claims Experience/Total 5 year Claims Experience})$$
$$\text{Asset Policies} = \text{Sum Insured Exposure} \times \text{appropriate rate loading based on type of asset}$$

8. Review

This Strategy will be reviewed every four years, in line with publishing the Council Plan. Earlier review will take place, as necessary, following significant changes to Insurance Industry financing practice or to the economic situation.

Business Continuity Management Policy Statement

Please see attached document

DERBYSHIRE COUNTY COUNCIL

RISK MANAGEMENT TRAINING

STRATEGY

Version History			
Version	Date	Detail	Author
1.0	May 2012	Initial issue	Adela Green

Risk Management Training Strategy

In order to achieve the aims and objectives set out in the Risk Management Policy and Strategy, it is important that all staff have appropriate knowledge and capability concerning Risk Management.

Appropriate knowledge will range from an awareness of the process within Derbyshire County Council and where advice can be sought to familiarise with the Risk Management Tools available and the ability to apply those tools effectively to manage risk.

A Training Matrix has been devised to identify the levels of training need to be attained by staff at different levels in the organisation.

With such a large diverse workforce, it is not practical to provide face-to-face training for all members of staff. It is intended that online training packages and tools be used, as much as possible, in providing basic awareness and knowledge of the Risk Management process. For staff without office bases, or network access, simple leaflets will provide basic information at the induction stage. This training will be reinforced through the annual appraisal process and during/following the re-launch of the Risk Management Policy and Strategy. Regular reminders will be issued to line managers about the competency matrix and Departmental Management teams will be asked to monitor progress.

Face-to-face training will be developed and delivered periodically for staff and member groups who need more in depth knowledge and capability in managing risks or when specific projects require it. This training may be delivered internally or using existing external Risk and Insurance advisers.

Refresher sessions will be planned for Members, following each set of elections, to ensure that new Members are also equipped with the requisite knowledge.

	Elected Members	Audit Committee	Chief Officers Group	Departmental Management Teams	Member Champion	Officer Champion	Heads of Service and Service Managers	RIM & RM Staff	Project Managers	Officers and Members involved in partnerships	All other staff
RM: A strategic overview (F)	✓							✓			
The role of the Audit Committee (F)		✓			✓	✓					
RM for Strategic Managers (F/I)			✓	✓		✓		✓			
RM for Operational Managers (I)							✓				
RM: an introduction (induction) (I/W)	✓						✓		✓		✓
RM of partnerships (I)								✓		✓	
RM of Projects (I)								✓	✓		
Professional RM Qualifications (F)								✓			

I = Online Training Package

F=Face to Face Training Workshop

W=Written leaflets

Derbyshire County Council

Risk Management Communication Strategy

Version History			
Version	Date	Detail	Author
1.0	15/05/2012	Initial issue	Adela Green

Table of Contents

1.	Introduction.....	21
2.	Risk Communications Objectives	21
3.	Risk Information to be communicated	21
4.	Communication Plan	22
5.	Review.....	23

1. Introduction

This Strategy contains what basic risk information it is anticipated should be communicated to various stakeholders (internal and external) of Derbyshire County Council.

It is important that we communicate in the most appropriate manner, depending upon the target audience, and that we seek to ensure that all of those likely to be affected are aware of the Risk Management Policies, Strategies and Guidance and where information can be found.

2. Risk Communications Objectives

The Corporate Risk Management Policy and Strategy sets out a number of key objectives and aims regarding Risk Management.

Some of these relate to specific information being communicated to affected parties. These, plus any general Risk Management communication objectives, are detailed below:

- Raising the awareness of the need for the management of risks and achieving buy-in by all those connected with the delivery of services. This includes both internal and external stakeholders.
- The Council's commitment to Risk Management is communicated to all stakeholders and staff (internal and external).
- Ensuring knowledge transfer to all stakeholders
- Providing Risk Management information in a timely and appropriate fashion.

3. Risk Information to be communicated

- That Risk Management has the support of both the Cabinet and Senior Management Team
- The revised Corporate Risk Management Policy & Strategy
- The revised Corporate Risk Financing Strategy
- The launch of the Risk Management competency Matrix and Training Plan
- Risk Management Toolkits for Members, Employees and Project Risk
- The timetable for reporting on Strategic Risk to Audit Committee
- Availability of Risk Guidance on specific Risk Areas, such as Contractual Risk and Fire Protection.
- Horizon Scanning results to Departmental Risk Champions
- Regular updates on Risk Management issues and progress to Departmental Risk Champions
- Availability of Risk Management Support, Guidance and Training

4. Communication Plan

In order to achieve communication of the above information, the following Plan has been developed to reach all affected stakeholders in the most appropriate and efficient way. Some or all of the methods will be used as appropriate.

	Target date
Formal launch of refreshed RM Policy, Strategy and Toolkit by E-mail announcement to elected members and all staff from the Leader and Chief Executive	September 2012
Announcement of re-launch in in-house publications for Members and Officers (Workplace)	September 2012
Re-launch intranet Risk Management pages to include; <ul style="list-style-type: none"> • An introduction to Risk Management at DCC • DCC Risk Management Strategy and Risk Management Awareness Toolkits for Employees and Elected Members • All relevant guidance on methodologies and processes, such as business continuity, insurance and health and safety • Who to contact: details of the risk management “network”, (including Elected Members with RM responsibility) • RM Training materials (in due course, web-based training) • Library of RM updates/bulletins/flashers • Timetable of any planned RM events, such as induction training (in due course) • Links to further information e.g. ALARM web-site 	September 2012 – May 2013
Launch of the Risk Management Competency Matrix and Training Programme to be released using the same medium included above for re-launch of the Policy/Strategy and intranet pages	May 2013
Regular RM E-mail updates to appropriate audiences setting out relevant issues on all aspects of RM including: <ul style="list-style-type: none"> • Changes in legislation and how it affects the Council • Horizon scanning information • Examples of RM best practice, e.g. leading to ability to repudiate insurance claims, or protect/enhance reputation • Progress of the Claims Reduction Project • Examples from other authorities (by reference to ALARM matters or insurer/lawyer circular newsletters). 	Ongoing – in-line with Strategic Risk Management Updates
RM Flashes , where an important risk or notable success must be communicated quickly to relevant officers/members e.g. where a legal judgment may have an impact on risk exposure	As appropriate
Risk Awareness Events. Periodic events during which internal and external speakers are invited to make presentations on relevant subjects, such as risks associated with Partnerships and Projects, Health and Safety, decision-risk, business continuity planning etc. This can be arranged in collaboration with partners (including other public sector organisations).	As appropriate

5. Review

The Communication Plan (in Section 4) will be reviewed on an annual basis. The remainder of the Strategy will be reviewed in line with the Corporate Risk Management Policy and Strategy.

Corporate Risk Management Action Plan 2012/2014

This sets out actions we will take in the period of the current Council Plan to support each of the stated objectives.

[This will be updated for each new year.]

Programme / Project	Key Actions	Outcomes
Risk Management Strategy & Policy	Revise and adopt revised Strategy and Policy with endorsement from Members and Senior Management Team	Endorsement by appropriate committees. Signed by Leader and Chief Executive. Public document distributed throughout council and on intranet/internet
	Incorporate periodic review of Risk Management Strategy and Policy including; <ul style="list-style-type: none"> • Goals • Reporting on progress. 	Annual review for currency. Full detailed review every four years in line with Council Plan
Risk Management Communication Strategy	Develop Communication Strategy	Plan of key activities, events, publications and training. Endorsed by appropriate committees/Cabinet.
	Implement Communication Strategy	Communication Activities undertaken as defined in the plan.
Performance Management	Establish monitoring of key performance indicators set out in the Risk Management Strategy and Policy	
Strategic Risk Register	Report on Strategic Risk Register in line with agreed timetable to Audit Committee. Hold annual Risk Workshop by December 2013.	
Departmental Risk Register	Review formats of Departmental Risk Registers for consistency	
Risk Management Toolkit	Develop and modernise toolkits	More interactive, user-friendly toolkits launched.

Corporate Training Programme	Develop Training material in line with Risk Management Training Strategy Plan	
Software Development	Review and evaluate software packages available for Risk Management.	
Consolidation of approaches	Investigate benefits of bringing process of Health and Safety, Business Continuity Planning and Risk Management Risk Assessments together.	Potential simplification and efficiencies for departments
Benchmarking	ALARM Benchmarking Club for Risk Management – 2013. Provide data to National Fraud Initiative for comparison with other authorities	
Risk Opportunities and Horizon Scanning	Develop effective Horizon Scanning process	Communication of new/emerging risks to Risk Champions for assessment/consideration



DERBYSHIRE COUNTY COUNCIL

BUSINESS CONTINUITY STRATEGY

JANUARY 2009

[illegible]

CONTENTS

	<i>Page</i>
CONTEXT	1
OVERVIEW	1
AIM AND OBJECTIVES	1
CORE BUSINESS OF THE COUNCIL	2
ORGANISATION STRUCTURE	3
ORGANISATION STRUCTURE CHART	4
RISK IDENTIFICATION AND MITIGATION STRATEGIES	5
ROLE OF RISK MANAGEMENT GROUP	6
DEVELOPING BUSINESS CONTINUITY	6
TRAINING AND EXERCISES	7
PLAN REVIEW PROCESS	7
PLAN DISTRIBUTION AND AMENDMENT	8

CONTEXT

The Civil Contingencies Act 2004 places a duty on the local authority to ensure that it has prepared, as far as reasonably practical, to continue to provide critical functions during any disruptive challenge.

This Business Continuity Strategy provides the framework for the Business Continuity Plan to be implemented by the Council in order to mobilise its response and undertake work to prevent or mitigate the severity of potential disruptions.

The Plan identifies the recovery objectives, the structure for implementation, mitigation measures and the communication processes to keep staff, partners and the public informed of necessary changes to service delivery.

OVERVIEW

The strategy adopted for development of the Business Continuity Plan can be summarised as follows:

- The objective is to have an operational document, designed for development and review, with close links to the relevant risk management programmes.
- The Plan sets out priorities, management structures and communications mechanisms to ensure an appropriate response to any disruption.
- The Plan is generic for the Council. It addresses the full range of the Council's functions and departments, but focuses on functions critical to those based at headquarters and the main County Council Matlock premises, rather than all locations where the business of the Council takes place. The Plan considers the interdependencies of different organisations, mutual aid and partnership arrangements.
- Specific plans have and will continue to be developed where the risk indicates sufficient likelihood of occurrence and the impact is seen to be severe. Similarly plans have will be developed that set out the arrangements for the Council's major cross-cutting services and by service areas where appropriate.

AIM AND OBJECTIVES

The aim of the strategy is:

- To support the Council in anticipating risks for the purpose of reducing them and having flexible and tested plans in place to minimise disruption when unplanned events significantly disrupt normal business.

The objectives are:

- To ensure the Council can continue to exercise its functions in the event of an emergency.
- To identify the potential areas of vulnerability in Council services on a departmental basis, in order to determine overall priorities for recovery of functions if disruption takes place.
- To build on good work already in place for risk management, ensuring all existing and developing plans are integrated into the overall framework.

- To ensure all Council service areas are involved in the preparation of the Plan, so that there is an effective and consistent response to service continuity.
- To provide a basis for cost benefit analysis to determine which specific contingency plans will be developed.
- To have in place a process to review and update the overall Plan and develop departmental, functional or specific plans where necessary in order to protect the services and reputation of the Council.
- To undertake training and awareness programmes for staff elected members, suppliers and partners.
- To carry out regular tests of the Plan to validate the arrangements.

CORE BUSINESS OF THE COUNCIL

The Council Plan 2008-2009 (which is a revision of the Council Plan 2005-2009 originally published in 2005), sets out the Council's vision, strategic goals and values. It forms the background to the assessment of priority for business continuity management.

In serving the people of Derbyshire the council's vision is **"To improve life for local people"**.

The strategic goals are to:

- Provide direction and leadership, and manage and improve the council's resources, in order to ensure high quality and value for money services
- Create an environment where all children can be healthy, stay safe, enjoy and achieve, make a positive contribution and achieve economic wellbeing
- Improve the health, wellbeing and choices of older people and vulnerable adults, and support them to live independently
- Create well connected communities with transport services
- Make places where people want to live and work now and in the future
- Strengthen the local economy and tackle deprivation within the county
- Promote safer communities and protect local people
- Improve access and encourage participation in leisure, recreation, information, lifelong learning and culture
- Promote Derbyshire in order to increase confidence, investment and resources

Full details of how these priorities will be delivered appear in the Council Plan.

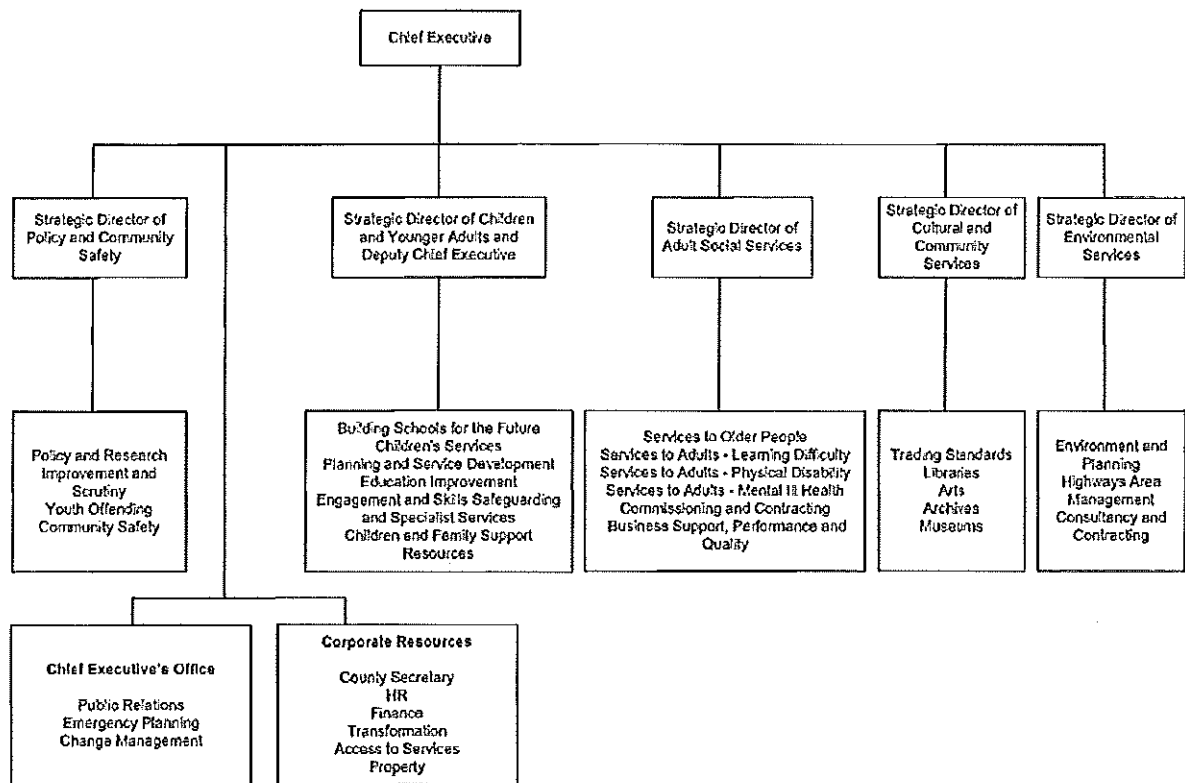
ORGANISATION STRUCTURE

The County Council is organised into departments as follows:

Chief Executive's Office/Corporate Resources
Adult Social Services
Children and Younger Adults
Cultural and Community Services
Environmental Services

See the structure chart on the next page.

ORGANISATION STRUCTURE CHART



RISK IDENTIFICATION AND MITIGATION STRATEGIES

The services provided by the County Council could be disrupted by a range of incidents. It is important to ensure that the risks that can adversely affect the Council and its facilities are identified, evaluated, and that appropriate control measures are in place to mitigate the risks. The following table outlines key risks and the generic risk mitigation measures currently implemented or being developed. The risks are managed through use of the Council's departments and corporate risk registers, which are all regularly reviewed and updated.

The Council, in partnership with other Category 1 responder organisations in Derbyshire, risk assesses a range of potential hazards and threats which could lead to impacts on our communities and the services delivered by the Council. Such hazards may be site specific and localised or affect the whole County or Region simultaneously. This process quantifies both the likelihood of such an event and the effects on health, the economy, the environment and social impacts. Results are recorded and published on Community Risk Registers.

For the highest risks a range of mitigation measures, in the form of a "risk treatment plan" have been identified and a programme of implementation agreed by the Derbyshire Local Resilience Forum. The risk profile of any area will change over time, as such these risk assessments will be reviewed annually to take account of new or emerging hazards and threats and where appropriate, incorporated into this plan.

Impact of the Risk	Cause	Risk Mitigation Strategies
Loss of key building	<ul style="list-style-type: none"> • Fire/arson • Vandalism • Explosion • Flood • Storm damage/Severe weather • Terrorism • Denial of access/ inaccessible - legionella, asbestos, crime scene, gas leak, bomb alert or contamination • Structural failure 	<ul style="list-style-type: none"> • Security risk assessments • Risk management surveys and measures • Fire risk assessments • Legionella programme • Asbestos surveys and monitoring programme • Monitoring systems • Health and safety risk assessments • Training programmes • Security measures eg CCTV, access control • Planned maintenance • Environmental management system • Property management • Accommodation strategy
Loss of key staff	<ul style="list-style-type: none"> • Flu Pandemic • Industrial disputes • Strike action • Lottery win • Transport problems • Severe weather • Epidemics • Fuel shortage 	<ul style="list-style-type: none"> • National and Local Flu Pandemic Plan • Negotiated agreements to protect key services • National and Local Fuel Plan • Succession planning for key staff • Personnel policies eg adverse weather policy

Impact of the Risk	Cause	Risk Mitigation Strategies
<p>Loss of key infrastructure/ equipment/ external services</p> <p><i>Internal</i> IT system failure/loss</p> <p><i>External</i> Loss of utilities - telecoms, water, power, gas, fuel, etc Supplier failure Failure of supply chains</p>	<ul style="list-style-type: none"> • Fire/arson • Vandalism • Theft • Sabotage • Terrorism • Explosion • Flood • Accidental Damage • Denial of access/inaccessible infrastructure • Computer Virus • Contamination • Technical breakdown • Drought • Shortage or disruption to supply due to strike 	<ul style="list-style-type: none"> • IT Disaster Recovery Plan and testing • Off-site data back-up • Network resilience • Telecoms resilience • Security measures • Back-up generators/UPS at key sites • Secure networks • Network standards • Anti-virus software • National and Local Fuel Plan • National Telecom Resilience Programme • Call Derbyshire (Contact Centre) Business Continuity Plan • Electronic document and records management project

ROLE OF RISK MANAGEMENT GROUP

The Council's Risk Management Group, consisting of a representative from each department, meets to:

- Promote risk management awareness throughout the Council.
- Promote constructive partnerships between departments whilst sharing information openly so as to instil a sense of corporate ownership.
- Evaluate and review the relative likelihood and potential impact of specific risks and identify proactive risk mitigation measures.
- Drive risk assessment within their own department.

DEVELOPING BUSINESS CONTINUITY

The process is designed to ensure continuity management is a mainstream activity rather than simply an emergency response.

Each department has lead officers for business continuity, whose role it is to co-ordinate the business continuity work of the department, disseminate information and promote good practice.

This role required them to obtain information through a series of structured questionnaires that were used to identify:

- key activities
- experience of business disruption and remedial action taken
- interdependency of functions
- existing security and risk mitigation measures

- priorities and timescales for recovery of key activities to ensure priority can be given to business critical functions
- minimum staffing and infrastructure needs to sustain business critical activities in emergency conditions.

The information gathered was subject to peer review to seek a consistent approach and shared understanding of the overall needs.

TRAINING AND EXERCISES

Training takes place for those officers likely to be called on to lead the Business Continuity Management and Support Teams.

Similarly staff from departments leading on cross-cutting services (IT, accommodation, communications etc) who have a key role to play in the development of resilient service delivery arrangements have benefited from familiarisation training.

On going training and exercises take place to ensure potential responding staff are informed and competent and that the Plan is tested.

PLAN REVIEW PROCESS

The Plan was first issued in January 2006 and is reviewed every six months to ensure that information on departmental functions, contacts and telephone information are kept up to date. It will be the responsibility of departmental business continuity leads to notify the Emergency Planning Division of any significant changes that occur in between these updates.

The outcome of training and exercises for the Plan will be incorporated into the review process. The Plan will also be reviewed when there are significant structural re-organisations within the Council or if new duties or responsibilities are taken on.

The Plan will also be reviewed annually against the Community Risk Register to ensure Business Continuity reflects the current assessment of likelihood of adverse events. In line with current legislation the Plan will need to be comprehensively reviewed every four years in parallel with the Community Risk Register, but this is intended as a maximum period and the Plan will remain a central management activity linked to risk management.

PLAN DISTRIBUTION AND AMENDMENT

The Plan is a controlled document. Distribution lists are included at the front of both parts of the Plan. Amendment sheets will be issued in the form of replacement pages with a sign and return form to confirm acknowledgement. The Plan will be reviewed regularly and the distribution lists and record of amendments will be updated accordingly.