

Local Pinch Point Fund Tranche 4 Appendices

Appendix O Risk Management and Opportunity Management Strategy 2011

Torquay Gateway and Town Centre Regeneration

October 2013



Risk Management and Opportunity Management Strategy 2011

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Appendices

Appendix A	PESTLE +
Appendix B	Risk Identification Form (RIF) Example Only

Document Control

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RMS-04/2010D	Emma Reid	Draft	Working document
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Other useful documents:

Torbay Council's Risk Management Toolkit
 Risk Management Strategy Appendix A PESTLE+
 Risk Management Strategy Appendix B - Risk Identification Form
 Guidance for Report Writers – Apr10
 Guidance for Decision Makers – Apr10
 Report Risk Assessment Template

For further information about this strategy or for help with Risk Management, please contact:

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 Alternatively, you can email risk.management@torbay.gov.uk

1. Introduction and Scope

This document is intended as a strategic guidance document. It gives details about our Risk Management Strategy along with what and who is involved.

This Strategy comprises of the following:

Policy Statement
 Risk Management Framework and Process
 Risk Management Roles and Responsibilities
 Delivering and Embedding the Strategy
 Performance Monitoring

For details regarding specific Risk Management processes and procedures, please refer to the Risk Management Toolkit.

Hierarchy of Corporate Risk	Type of Risk
Strategic	<ul style="list-style-type: none"> • Strategic Risk – risk to the delivery of the council's strategic objectives and/or priorities. The council maintains a Strategic Risk Register. • Partnership Risk – risk to the delivery the council's partnership objectives. Significant partnerships should have joint risk registers.
Tactical	<ul style="list-style-type: none"> • Business Unit Risk – risk to the delivery of specific Business Unit Objectives.
Operational	<ul style="list-style-type: none"> • Service Area Risk – risk to the delivery of day-to-day service delivery objectives.

Although the methods of Risk Management remain broadly the same in all the areas listed above, it can be a subjective process and so should always be carried out in consultation with a specialist in the relevant business unit/service area and in line with their specific requirements.

1.1 What is a Risk / Opportunity?

For the purpose of this strategy, a '**risk**' is defined as,

'An uncertain event which, should it occur, could reduce our ability to achieve our objectives.'

And an '**opportunity**' is defined as,

'An uncertain event which, should it occur, could improve our ability to achieve our objectives.'

It is also important to note the difference between a risk and an issue as follows:

A **Risk** is "An uncertain event which could reduce our ability to achieve our objectives"

An **Issue** is "A present problem or concern which is currently reducing our ability to achieve our objectives"

In summary, a risk is an event which has the potential to occur and an issue is an event which has already occurred.

1.2 What is Risk Management?

Risk Management can be described as any activity which helps us to identify, analyse, manage and monitor our risks and opportunities.

Risks are generally managed by mitigating the negative effects and Opportunities are generally managed by maximising the benefits.

Risk Management should not make us 'risk averse' but help us to become 'risk aware' in all of our decisions. Some amount of risk taking is inevitable if we are to achieve our objectives. By being risk aware the council is in the best position to mitigate risks and maximise opportunities.

In order for Risk Management to be truly successful it must be integrated into the culture of an organisation, supported and led by its senior management and communicated effectively at all levels.

1.2.1 Why manage risk?

As part of the requirements for Corporate Governance and Internal Control an organisation must 'embed' risk management into its culture. This is not simply having an internal audit function reviewing risk management procedures; it means the organisation needs to look forward, be dynamic, respond effectively to change and maximise opportunities.

Aside from the formal requirements which the council has to meet and the obvious financial benefits which risk management can bring, it can have many others as follows:

- Better value for money services and more satisfied customers as a result of high quality decisions, effective partnerships and more effective use of limited resources.
- More informed selection of objectives and related targets as a result of the risk identification, analysis, and treatment and monitoring processes.
- Greater ability to deliver against realistic and attainable objectives and targets.
- Reduction in interruptions to service delivery.
- Better informed financial decision-making on investment, insurance, option appraisal, etc.
- Reduction in the financial costs associated with losses due to service interruption, litigation, bad investment decisions, etc.
- Fewer insurance claims and more favourable insurance terms.
- Positive external image of the council for all stakeholders.

1.3 Risk Management Policy Statement

Torbay Council has a moral and statutory duty to take all reasonable actions to safeguard its employees, assets and the public and to ensure that it is not financially or operationally disrupted. It will meet this duty by ensuring that risk management plays a fundamental part in the governance of the organisation at strategic, tactical and operational levels.

Torbay Council's Strategic Scorecard sets out the council's strategic objectives. Robust Risk Management arrangements are in place to ensure the council can achieve these objectives and improve outcomes for local people. In addition to this there must be strong leadership, clear strategies and trained and engaged staff.

Torbay Council is committed to ensuring that:

- i. The management of risk is linked to the achievement of its objectives at all levels and supports continuous improvement to service delivery and performance throughout the council.

- ii. Members and Senior Managers lead, promote and support risk management.
- iii. Ownership and accountability for risks and opportunities is clear at all levels.
- iv. Risk Management is embedded into its culture, decision making and organisational process at all levels, to ensure it remains dynamic, effective and robust.
- v. All staff are engaged with the Risk Management process and understand its importance; And this is reinforced in the delivery of continuous training and development packages.
- vi. Effective monitoring and reporting arrangements are in place, in line with best practice.
- vii. It's approach to the management of risk is regularly benchmarked against other high performing organisations.
- viii. The Risk Management Strategy is reviewed and updated annually in line with the changing environment it operates within.

1.4 Statement of Risk Appetite

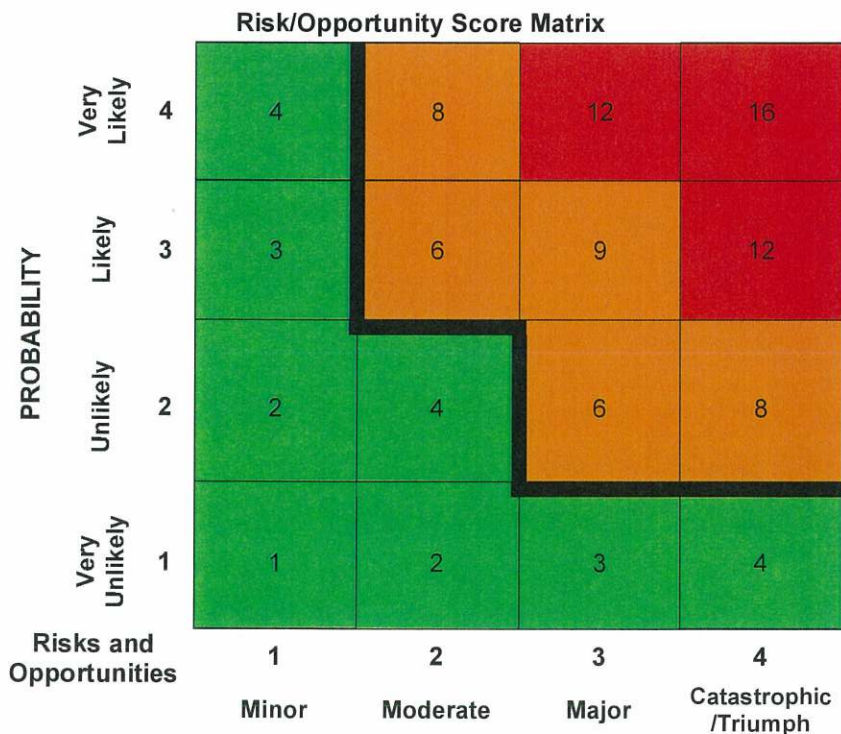
We are a risk embracing council which understands the importance of risk taking and acknowledges that some amount of risk taking is inevitable if we are to achieve our objectives. The council aims to maximise opportunities which enable improvement and to mitigate risks which could negatively affect service delivery.

To assist in the decision making process and to help with prioritisation we have agreed to apply a general level of risk tolerance (see section 1.4.1 – Risk Scoring and Prioritisation). However, this does not mean that in every case, risks falling below the line of tolerance require no action and visa versa.

Determining a risk appetite is very subjective. To ensure impartial scores are given, scoring should be done in conjunction with the Corporate Risk Management Team and the Accountable Person for each risk/opportunity.

1.4.1 Scoring and Prioritisation

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



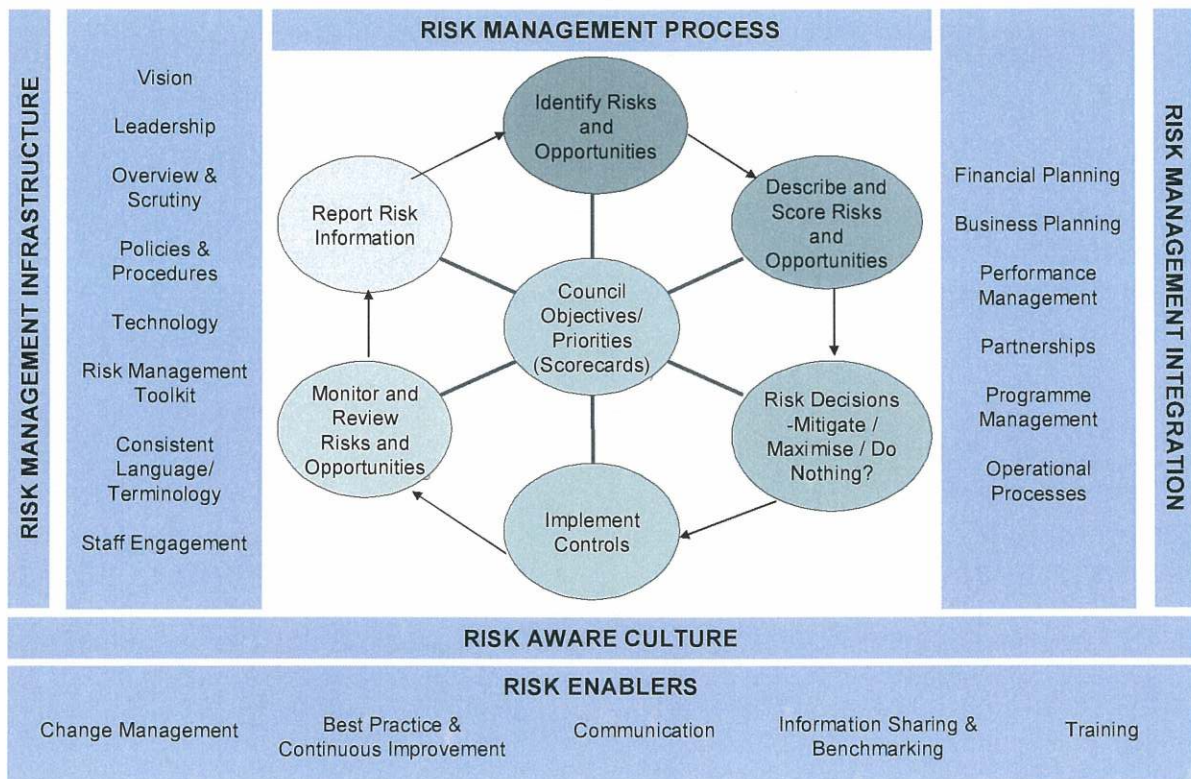
IMPACT

- Risks/opportunities which score between 1 and 4 (green) sit below our general level of risk tolerance which have a **low** priority for action.
- Risks/opportunities which score between 6 and 9 (amber) sit above our general level of risk tolerance which have a **medium** priority for action.
- Risks/opportunities which score between 12 and 16 (red) also sit above our general level of risk tolerance which have a **high** priority for action.

2. Risk Management Framework and Process

Risk management covers all the steps involved in identifying, analysing, controlling, reporting and monitoring risks and opportunities to ensure the delivery of our objectives. The diagrams below shows our Risk Management Framework, based on the Code of practice for risk management, BS 31100.

Torbay Council Risk Management Framework



For details regarding the Risk Management process, please refer to the Risk Management Toolkit.

2.1 Objectives

In line with best practice, at the heart of the risk management process is our objectives, which are reviewed on an annual basis to ensure they accurately reflect the environment that we operate in and remain fit for purpose. Our Strategic objectives are contained in the Strategic Scorecard within SPAR.net.

2.2 Identify Risks and Opportunities

As part of the risk management process, the Corporate Risk Management Team will facilitate a strategic risk identification workshop with the Senior Leadership Team, on an annual basis. During the workshop each of our strategic objectives will be reviewed using the PESTLE+ method (see Appendix A) to focus the discussions. This will look at the short term risks and opportunities that may occur within 12 months.

In addition to this, we would also use the PESTLE+ method to scan the horizon over the medium to long term so that we can capture risks and opportunities that may occur within 5 years.

All identified Risks and Opportunities will be recorded during the session and then subsequently transferred in to SPAR.net by the Corporate Risk Management Team.

In addition to the workshop, a risk identification form (RIF) (see Appendix B) is available so that new risks and opportunities can be raised as required.

2.3 Analyse Risks and Opportunities

Once a risk/opportunity has been identified we need to consider what we could do to manage it. However, in order to do that we are required to analyse it and therefore need to collate information in the following areas:

- Risk Description – What might cause the risk/opportunity to occur (the trigger), what the risk/opportunity is (the nature of the risk/opportunity) and what the end result will be if it does occur (the consequences/benefits).
- Risk Owner (RO) – the person responsible for understanding and monitoring the risk/opportunity, ensuring appropriate controls are implemented (by appropriate people) and ensuring the Risk Management Strategy and Processes are applied effectively. The RO is usually the person who identifies the risk/opportunity.
- Accountable Person (AP) – the person responsible for overseeing the Risk Owner, providing assurance to stakeholders that risk management is appropriate and effective. The AP is also responsible for authorising any resources required to manage the risk/opportunity.
- Existing controls – how the risk/opportunity is currently being managed, if at all.
- Impact and Probability - scores for impact and probability with existing controls.
- Control options - Additional controls required along with any resource implications.

2.4 Risk Decisions

Once a risk/opportunity has been analysed we need to decide how we want to manage it. There are several for this and many things to be considered when developing options including risk appetite, scores, resource implications etc.

Risks

Do we need to mitigate the risk?
Can we do nothing?

Opportunities

Do we want to maximise the opportunity?
Can we do nothing?

Mitigation/Maximisation will usually involve developing and implementing new controls (policies and procedures, equipment, training etc) but it is also acceptable for us to 'do nothing' if the cost of implementing controls outweighs the benefits to be gained.

You should always develop your risk management options in conjunction with the Accountable Person as they will be responsible for authorising any additional resources required.

2.5 Implement Controls

Once we have decided how we want to manage the risk/opportunity we can then begin to implement the new controls as required. This may involve establishing new work routines/new ways of working, developing new

policies/strategies, procuring new equipment, employing new staff, training existing staff etc, and will usually require additional resources.

If additional resources are required to manage your risk/opportunity, you will need to have this authorised by the Accountable Person as part of the previous stage of the process (see section 2.4 Risk Decisions).

2.6 Monitor and Review

Once implementation of controls has begun it is important to monitor the risk/opportunity to ensure that if it changes, the controls can be adjusted to remain fit for purpose. If a risk/opportunity is not monitored effectively it could change over time making the original controls unsuitable and potentially leaving us exposed to the same level of risk or vulnerable to new risks.

When you conduct your regular reviews you will need to consider what effect the controls are having on the risk/opportunity and whether the scores for probability and impact need to be adjusted to reflect any changes.

For audit trail purposes, it is essential that when re-scoring a risk/opportunity you justify the new scores with a valid explanation (by adding concise but thorough notes to the risk record in SPAR.net). For example, "Risk review conducted - probability score reduced as new controls are now in place. Impact remains the same."

Risk reviews should be conducted as part of your ongoing performance management meetings so that the process remains robust and dynamic.

2.6.1 Upgrading and Downgrading

As part of your regular reviews you may decide that you need to move your risk/opportunity to be managed at a higher or lower level of the organisation, we call this upgrading or downgrading, respectively.

The Senior Leadership Team will monitor and review the Strategic Risk Register as part of their quarterly performance improvement meetings.

If you feel you need to up/downgrade a risk/opportunity to/from the strategic risk register, it will need to be agreed by the Senior Leadership Team. If you need to up/downgrade a risk/opportunity to/from a business unit risk register, this will need to be done in consultation and agreement with the relevant Executive Head.

In every instance of up/downgrading, you must link the risks/opportunities back to an appropriate scorecard objective within SPAR.net and for audit trail purposes, provide an explanation (in notes) to justify why the risk/opportunity has been up or downgraded.

For advice and support with the above process please contact a member of the Corporate Risk Management Team.

2.7 Report Risk Information

In addition to the stages already described it is also important to regularly communicate and report risk information. To ensure consistency in approach Torbay Council uses the SPAR.net system for reporting risk information, including risk registers.

It is the responsibility of all managers to input their own risks into the system and regularly review and update them. Strategic risks will be entered and updated by the Corporate Risk Management Team on behalf of the Senior Leadership Team.

The Strategic Risk Register is held in the SPAR.net system so the data remains dynamic and can be viewed, live at anytime. In addition to this it is reported at specific times in the year (see below schedule) and ad-hoc reports can be generated as and when required.

Group	Strategic Risk Register	Strategic Risk Map	High (Red) Risks Report
Senior Leadership Team (SLT)	Quarterly*	Quarterly*	Quarterly

Audit Committee	Annually	Annually	
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* Quarterly reports are provided as required for performance management

Strategic Risk Register Report – Shows all existing strategic risks/opportunities with highest scoring shown first.

Strategic Risk Map Report – Shows all existing strategic risks/opportunities on a plotted matrix and summarises those that score high (red).

High (red) Risks Report – Shows all existing strategic risks/opportunities which have a score of 12 or more.

3. Risk Management Roles and Responsibilities

Identifying and allocating roles and responsibilities for risk management is crucial if the strategy is to be developed, implemented and reviewed effectively. See below for details.

Individual or Group	Role and Responsibilities
Chief Executive	<ul style="list-style-type: none"> Establish and promote a risk aware culture within the council Ensure SLT receive scheduled risk reports as per the council's risk management strategy Liaise with the CRM to ensure that community risks (identified by the Local Resilience Forum) are reflected in the strategic risk register as required
Lead Member (Risk Management Champion)	<ul style="list-style-type: none"> Liaise with the CRM on a regular and ongoing basis Communicate and promote the risk management strategy to council members
Senior Leadership Team (SLT)	<ul style="list-style-type: none"> Accept ownership of strategic objectives within own areas of responsibility Ensure that the council meets its strategic objectives by effectively managing strategic risks Review, monitor and approve the council's risk management strategy Identify, analyse and manage risks to the achievement of strategic objectives in line with the risk management strategy Receive reports from the CRM showing all strategic risks Monitor the effectiveness of the council's risk management strategy Review, monitor and approve the council's strategic risk register on an annual basis Receive reports from the CRM showing high (red) risks Ensure adequate resources are allocated to deliver the risk management strategy Promote the implementation of the risk management strategy and cascade information within own areas of responsibility
Audit Committee	<ul style="list-style-type: none"> Monitor the effective development and implementation of risk management strategy and corporate governance within the council
Internal Audit Function	<ul style="list-style-type: none"> Use the council's strategic risk register to develop a risk based audit plan Provide an annual statement of assurance regarding the management of risk within the council Audit the risk management strategy and process as required and

		<p>recommend areas for improvement, where necessary</p>
Performance Meetings	Improvement	<ul style="list-style-type: none"> • Ensure risk is included as a standing agenda item for performance related meetings • Identify risks that may occur as a result of underperformance or missed targets
Executive Heads		<ul style="list-style-type: none"> • Identify, analyse and manage risks to the achievement of business unit objectives in line with the risk management strategy • Ensure service managers report new and emerging risks • Maintain a business unit risk register and ensure risks are being managed effectively by Risk Owners • Ensure that business unit risks are escalated / relegated appropriately as required • Ensure risk is considered when preparing business unit plans and balanced scorecards • Promote the implementation of the risk management strategy and cascade information within own areas of responsibility
Service Managers		<ul style="list-style-type: none"> • Identify, analyse and manage risks to the achievement of service area objectives in line with the risk management strategy • Report all new risks to Executive Heads • Maintain a service area risk register and ensure risks are being managed effectively by Risk Owners • Ensure that service area risks are escalated / relegated appropriately as required • Ensure risk is considered when preparing service area work plans • Promote the implementation of the risk management strategy and cascade information within own areas of responsibility • Recommend training requirements to the CRM for employees within own service areas
Corporate Risk Manager (CRM)		<ul style="list-style-type: none"> • Determine strategic approach to risk on behalf of SLT and recommend risk appetite and tolerance thresholds via risk management strategy • Develop, document and implement the council's risk management strategy and related processes / toolkits • Maintain the strategic risk register • Ensure community and programme risks are reflected within the council's strategic risk register as required • Provide scheduled reports to identified groups as per the risk management strategy • Liaise with the risk management member champion • Act as a consultee for report clearance via risk.management@torbay.gov.uk • Promote best practice for risk management within the council • Provide advice, information and support to all employees in respect of risk management • Conduct annual self assessments as part of the ALARM CIPFA Benchmarking Group
Risk Project Officer (RPO)		<ul style="list-style-type: none"> • Support the CRM in the implementation of the risk management strategy and all related processes • Provide advice, information and support to all employees in respect of risk management • Promote best practice for risk management within the council • Undertake benchmarking exercises with other local authorities
Programme / Project Boards		<ul style="list-style-type: none"> • Ensure that programmes and/or projects meet their objectives and expected benefits by effectively managing programme and project

	<ul style="list-style-type: none"> risks • Ensure programme / project risks are reported to the programme / project board on a regular and ongoing basis • Ensure that programme / project risks are escalated / relegated appropriately as required
Partners	<ul style="list-style-type: none"> • Ensure that partnerships meet their objectives by effectively managing partnership risks • Share experience on risk, risk management and strategy implementation with the council
Report Writers / Decision Makers	<ul style="list-style-type: none"> • Ensure the corporate decision making report and report risk assessment templates (and guidance for report writers) are used for all key decisions. For guidance documents please contact Democratic Services or the Corporate Risk Management Team.
<p>Risk Owner (for specific risk)</p> <p><i>N.B. For Strategic and Tactical Risk – Executive Head and for Operational Risk – Service Manager.</i></p>	<ul style="list-style-type: none"> • Understand the council’s risk management strategy For the specific risks they have ownership of: • Understand and monitor risks • Use the council’s risk management toolkit to apply risk management practice • Ensure appropriate treatments are implemented (by appropriate people) • Ensure the risk management strategy and processes are applied effectively
<p>Accountable Person (for specific risk)</p> <p><i>N.B. For Strategic Risk – Commissioner, Tactical Risk – Executive Head and Operational Risk – Service Manager.</i></p>	<ul style="list-style-type: none"> • Understand the council’s risk management strategy For the specific risks they are responsible for: • Be held accountable for the management of specific risks • Oversee the risk management activities of the Risk Owner • Provide assurance to stakeholders that risk management is appropriate and effective • Authorise any resources required to manage / treat the risk
Responsible Person (for specific risk control)	<ul style="list-style-type: none"> • Understand the council’s risk management strategy For the specific risk controls they are responsible for: • Understand and monitor risk controls • Use the council’s risk management toolkit to apply risk management practice • Ensure appropriate treatment actions are implemented • Ensure the risk management strategy and processes are applied effectively
Employees	<ul style="list-style-type: none"> • Understand the council’s risk management strategy • Use the council’s risk management toolkit to apply risk management practice within day to day activities • Report all new risks to Service Managers • Work safely, avoid unnecessary waste of resources and contribute to risk management initiatives within own areas

4. Embedding the Strategy

4.1 Training and Education

Training is essential to ensure that all staff understand the concept of risk management and what part they need to play in the implementation of this strategy. It is important for us to ensure that all staff have the risk management skills and knowledge relevant to their role.

Training and induction programmes and communication methods will be regularly reviewed to ensure that the risk management message is being shared consistently and effectively, in line with this strategy.

As far as possible, all training will be tailored to meet the needs and responsibilities of each group of employees. A training needs analysis has been conducted by the Corporate Risk Management Team to identify what level of knowledge is required for each staff group, as shown below.

Staff Group	Knowledge Requirement	Training Activity
Elected Members	Basic knowledge of Risk Management	Induction Session - Decision Making, A Risky Business
Senior Leadership Team	Basic knowledge of Risk Management Understanding of risk management in decision making reports Basic understanding of risk management practice Risk Identification Workshops as an integral part of Business Planning	Training - Risk Management in Practice Workshop - Risk identification against objectives One to one support sessions as required
Service Managers	Basic knowledge of Risk Management Understanding of risk management practice	Presentation - Overview of Risk Management Training - Risk Management in Practice One to one support sessions as required
Employees	Basic knowledge of Risk Management Basic understanding of risk management practice	Risk Management section on Intranet (InSight) One to one support sessions as required
Risk Project Officer	In depth knowledge of Risk Management practice to enable constructive involvement in the development of Risk Management Strategy. In depth understanding of the Council and its objectives to participate in planning activities and facilitation of Risk Identification Workshops.	Relevant subject qualification Attendance at Public Sector Risk Management groups Participation in benchmarking exercises (ALARM and local authority family groups)
Corporate Risk Manager	In depth knowledge of Risk Management practice to enable constructive involvement in the development of Risk Management Strategy. In depth understanding of the Council and its objectives to participate in planning activities and facilitation of Risk Identification Workshops.	Professional Risk Management qualification(s) (IRM) Registered Risk Practitioner (RRP) Status and Continual Professional Development (CPD) Attendance at Public Sector Risk Management groups Participation in benchmarking exercises (ALARM and local authority family groups)

4.2 Insurance and Funding

The Council manages its entire insurance arrangements by means of a specific team based within the Council's Legal, Commercial section who arrange placement of annual insurance cover with financially secure insurers in respect of all key corporate risk exposures (Property, Motor, Public and Employers Liability, Official Indemnity etc...) all through competitive tendering with the assistance of Independent Insurance Brokers who specialise in Insurance for the Public Sector.

As a result of the Council's pro-active stance towards on-going operational and strategic risk management together with claims performance management, the Insurers have historically responded by providing competitively priced insurance terms and a wide breadth of cover in recognition of better managed risks. The Corporate Insurances are due to be tendered in August 2011 and will follow the OJEU procedures for contacts of this nature and expenditure. Whilst in recent times there have been several major global losses affecting the re-insurance market, the Authority will hope to benefit from the best terms available commensurate with the risks being tendered and the insurance programme required.

The Insurance Team provide a proactive and comprehensive service to client departments in accordance with corporate aims and objectives to minimise the impact of risks which may prevent the Council from meeting its priorities effectively and economically.

Benchmarking is regularly undertaken facilitated by CIPFA to monitor the Council's own effectiveness (both in-house management and with other Unitary Authorities) in terms of Insurance arrangements and claims handling.

Executive Heads maintain a continuous review of insurance cover held, which must include a regular review of valuations, inventories and types of risks covered by existing policies notifying the Insurance section when there has been a change in risk (additions, deletions, amendments etc...) in accordance with the Authority's Financial Regulations.

Furthermore Executive Heads/departments provide information as required to facilitate claims management for losses/incidents and where appropriate, legal liability can be determined so that the Authority can comply with current legislation and enable claims to be settled without any undue delay.

The Council uses an internal fund to facilitate the management of its insurance services as well as holding reserves for the future payment of claims incurred which may not have been notified together with other specified potential areas of liability not traditionally insured. The ultimate aim of the Insurance Fund is to steadily build the Fund to enable the Council to consider a greater level of self-insurance and/or higher deductibles and/or an Alternative Risk Transfer method, if these are cost effective. It is anticipated these will ultimately lead to lower insurance costs.

Section 172, schedule 13 of the Local Government Act 1972, sub section 16 (a) refers,

A Local Authority may establish such funds as the authority consider appropriate for the purpose of meeting any expenditure of the authority in connection with their functions. And continuing under sub section 17 (2) A fund established by a local authority under paragraph 16 of this schedule for the purpose only of providing money to make good loss or damage suffered by the authority as a result of an occurrence against the risk of which the authority can insure shall not be used for any further purpose except that of paying premiums on a policy of insurance against risk.

4.3 Management of Insurance Fund

The Council budgets an annual sum to meet insurance liabilities relating to that financial year. This sum is currently a combination of external premiums, Broker fees, Actuarial fees, excess payments, self insured losses and the costs of administration.

If there has been a failure to take reasonable precautions to prevent or minimise accidental injury, loss or damage or a disregard to Health and Safety requirements or the Council's Risk Management policy an uninsured loss (excess) may be charged to the client department concerned.

Where appropriate the Council uses the services of an independent insurance broker and an independent insurance actuary to provide advice on the management of the fund.

The costs of the fund are held centrally and are allocated to services for external reporting in line with CIPFA's Best Value Code of Practice. Schools can opt to have the costs of insurance delegated to them under the Fairfunding arrangements.

4.4 Risk Management Funding

The Insurance Fund reserves a limited amount to support corporate Risk Management initiatives, thereby promoting a Risk Management culture throughout the Council with the overall aim of controlling risk exposure, reducing claims/losses and contributing to the reduction of future premiums and excess costs.

The majority of risk management is funded by departments from their existing budgets. Where it is deemed that a corporate benefit will be achieved, proposals and bids by departments for matching funding risk management initiatives will be considered by the Executive Head of Commercial Services and the Senior Solicitor for Claims Handling following advice from the Insurance Manager and the Corporate Risk Manager in line with the following criteria:

- Promote Corporate benefit supporting the priorities of the Council.
- Provide a detailed proposal outlining how risk can be mitigated/controlled.
- Provide evidence of enhanced internal controls.
- Match funding by the Department

5. Performance Monitoring

This document will be the focus for our Risk Management activities in the medium to long term. It will be reviewed on an annual basis. However, to ensure the information in the document remains current and fit for purpose, it may also be reviewed as a result of significant external or internal changes to the environment we operate in.

In order to ensure we monitor and manage our risk management performance Torbay Council has adopted the ALARM National Performance Model for Risk Management in the Public Services and is a member of the ALARM CIPFA Risk Management Benchmarking Group.

The National Performance Model helps us to measure current performance against a recognised achievement level and helps us to demonstrate our current level of risk management maturity against national and international standards. Using this model also allows us to compare with other organisations and learn from best practice through benchmarking.

The national model breaks down risk management activity into seven strands, five enablers and two focussed on results as shown below.

Enablers	Results
Leadership and Management	Risk Handling and Assurance
Strategy and Policy	Outcomes and Delivery
People	
Partnership, shared risks and resources	
Processes and Tools	

The model tests the extent to which risk management is having a positive effect on the council. Risk management maturity is assessed as being at one of five levels:

Level 1	Risk management is engaging with the organisation
Level 2	Risk management is happening within the organisation
Level 3	Risk management is working for the organisation
Level 4	Risk management is embedded and integrated within the organisation
Level 5	Risk management is driving the organisation

For further information about the ALARM national performance model please visit www.alarm-uk.org
 For further details regarding the council's latest self assessment please contact the Corporate Risk Management Team.