

**REPORT TO:       AUDIT AND RISK MANAGEMENT SUB COMMITTEE 29 SEPTEMBER 2003**  
**REPORT ON:       OVERVIEW OF RISK MANAGEMENT ACTIVITY IN DUNDEE CITY COUNCIL**  
**REPORT BY:       PRINCIPAL INSURANCE AND RISK MANAGEMENT OFFICER**  
**REPORT NO:       644-2003**

## **1       INTRODUCTION**

This report provides an overview of Risk Management activity in Dundee City Council for the benefit, principally, of new members of the Audit and Risk Management Sub Committee.

## **2       RECOMMENDATIONS**

It is recommended that:

- the content of this report be noted.
- the Council's Risk Manager bring forward a formal strategic Risk Management Plan to the next Audit and Risk Management Sub-Committee.

## **3       BACKGROUND**

The Risk Management Section's primary objectives are to:

- help Departments identify, evaluate, eliminate and/or control risk which could prevent them from attaining their Service objectives.
- manage the Council's self-insured programme.
- arrange catastrophe insurance cover for major incidents.
- provide a claims management service for Council Departments.
- provide the same service as above to a number of external bodies including Tayside Police, Tayside Fire Brigade, Tayside Contracts, Tayside Valuation Joint Board and the Tay Road Bridge.

This overview of the Section's activity is supported by a formal Risk Management Policy Statement (Appendix 1) and the scale of current operations outlined in the accompanying papers to this report (Appendix 2).

Whilst a strategic Risk Management plan for future years is in course of preparation and will be submitted to the next Audit and Risk Management Sub-Committee, an overview of this years risk management activity is provided for members interest (Appendix 3).

## **4       CONCLUSION**

The ongoing and growing recognition of Risk Management as a mechanism whereby public funds are effectively stewarded, incidents of loss, damage and injury are avoided and better value thereby achieved will be of monetary and Governance benefit to the Council.

**PRINCIPAL INSURANCE AND RISK MANAGEMENT OFFICER**

**18 SEPTEMBER 2003**

### **BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

**CORPORATE POLICY STATEMENT ON RISK MANAGEMENT**

Dundee City Council is dedicated to the management of risk in order to:

- safeguard its employees
- protect its property
- preserve and enhance service delivery
- maintain effective stewardship of public funds
- promote a favourable corporate image.

The efficient management of risk forms part of the City Council's overall business objectives.

To achieve this, standards and principles applicable to the Council as a whole, will be developed and maintained. This process will involve identification and evaluation of risks to create practical and cost effective means of loss control and avoidance.

Risk financing techniques, including insurance, will be used to fund fortuitous and catastrophe losses. Self-insurance will be used to optimise the benefits of risk retention, relative to premium economy.

The Principal Insurance and Risk Management Officer is responsible for co-ordinating activities, enlisting available expertise, internally and externally, and directing action through the medium of the Risk Management Sub Committee.

Risk Management is recognised as a continuous process, demanding awareness and action from employees at every level, to reduce the possibility and impact of injury and loss.

**INSURANCE AND RISK MANAGEMENT SECTION**

**SCOPE OF WORK ACTIVITY**

|                                  |  |
|----------------------------------|--|
| Client Group:                    | Dundee City Council<br>Tayside Police<br>Tayside Fire Brigade<br>Tayside Contracts<br>Tayside Valuation Joint Board<br>Tay Road Bridge |
| Combined Client Group Portfolio: | Property Value           £3bn<br>FTE Staff                 12,000<br>No. of Vehicles          1,500                                    |
| Combined Premium Spend:          | Circa £3m  |
| Combined Claims Volumes:         | Property                 4,000<br>Liabilities               2,000<br>Motor                     1,500                                   |

**RISK MANAGEMENT ACTIVITY**

| <u>Nature of Project</u>                         | <u>Risk Management<br/>Budget Contribution</u><br>£ | <u>Status</u>  |
|--|---|--|
| Malicious Damage - Education                     | 40,000  | On-going.  |
| Graffiti Removal Kits                            | 3,000   | Complete.  |
| Replacement Risk Management System               | 4,000   | System in process of testing.                                |
| Burial Grounds Risk Assessment                   | 10,000  | Scope of work identified.                                    |
| Marchbank's - Security Upgrades                  | 20,000  | Rolling programme.<br>First phase.                           |
| Corporate Governance Risk Registers              | 10,000  | Departments undertaking initial risk identification process. |
| Disaster Recovery Plans                          | 15,000  | Project only at conceptual stage.                            |
| Flu innovations                                  | <u>15,000</u>                                       | Awaiting approach from Personnel.                            |
|  | <u>11,7000</u>                                      |  |
| Risk Management Revenue Budget<br>2003 Provision | <u>150,000</u>                                      |  |