

**CONFORMED COPY
OF THE PRINCIPAL CONTRACT DATED 31ST MARCH 2003
AND THE AMENDMENTS TO THE PRINCIPAL CONTRACT
PURSUANT TO THE DEED OF AMENDMENT DATED 28TH MAY 2003**

SCHEDULE 31

COUNCILS' RISK MANAGEMENT POLICIES

Contents

- Schedule 31 Part 1 **East Sussex County Council Risk Management Policy**
- Schedule 31 Part 2 **Brighton and Hove City Council Risk Management Policy**

Policy on Risk Assessment

1 INTRODUCTION

- 1.1 Assessing risks to health and safety, and incorporating the appropriate control measures into safe working practices, is an integral part of the employer's planning process for successful health, safety and quality management.
- 1.2 It is also an explicit requirement of the Management of Health and Safety at Work Regulations 1992 (MHSW) and its associated Approved Code of Practice L21. The Health and Safety Executive's (HSE) booklet HS(G)65 "Successful Health and Safety Management" also places particular emphasis on risk assessment as a process for hazard elimination and risk reduction in terms of exposure to work activities, products and services.
- 1.3 Physical conditions of premises under the control of the County Council are covered by the Workplace (Health, Safety and Welfare) Regulations 1992 (WHSW) and are prescriptive in their requirements, and therefore should not normally require a risk assessment approach (see Section 16) other than to prioritise remedial action.
- 1.4 This updated Policy has been drawn up in consultation with Chief Officers and Trades Unions, and re-emphasises the need for a structured risk assessment process to determine priorities and set objectives for safe working.

2 GENERAL

- 2.1 It is the policy of the County Council that significant hazards are identified and consequential risks at work eliminated or minimised in compliance with the MHSW Regulations and as part of establishing high standards of health and safety.
- 2.2 The County Council requires that:-
- 2.2.1 suitable and sufficient risk assessments are carried out and documented for significant, foreseeable hazards in the workplace;
 - 2.2.2 the outcome of risk assessments, including the control measures, are incorporated in safe working practices;
 - 2.2.3 staff, safety representatives and other persons affected, are made aware of the results of risk assessments relevant to them and that they observe the appropriate safe working practices; and
 - 2.2.4 that risk assessments are developed in a structured way, and prioritised for those staff groups, work activities, products and services most affected.

3 RESPONSIBILITIES

3.1 Chief Officers will:-

- 3.1.1 ensure that the provisions of this Policy are implemented within their departments;
- 3.1.2 identify appropriate line managers and/or key staff to be trained and competent to carry out and/or interpret risk assessments within their sphere of control;
- 3.1.3 identify persons competent as risk assessors to carry out generic and/or specific risk assessments, eg. departmental safety advisers/co-ordinators, and to assist line managers etc with their risk

assessments;

3.1.4 ensure that risk assessments and their associated control measures are incorporated into safe working practices and reflected in targeted safety training;

3.1.5 provide for arrangements for those staff and accredited trade union safety representatives affected to be made aware of the outcome of risk assessments in so far as they apply to them, and that they comply with the associated safe working practices; and

3.1.6 monitor the effective application of this Policy in their departments.

3.2 The County Safety Adviser will:

3.2.1 promote and monitor the application of this Policy; and

3.2.2 offer guidance to Chief Officers, in conjunction with their departmental safety advisers/co-ordinators, in the implementation of this Policy. This can include assistance in (co-ordinating) the production of risk assessments to avoid unnecessary duplication, and with the delivery of training in risk assessment.

3.3 Employees will ensure that safe working practices resulting from risk assessments are fully implemented, and advise their line manager of any perceived needs for risk assessments.

4 DEFINITIONS

Hazard - A situation with the potential for causing harm, eg personal injury, ill health, property damage.

Risk -The likelihood that harm from a particular hazard is realised. The assessment of **risk** combines the likelihood or **frequency** of a hazard with the extent or **severity** of its outcome.

Risk Assessment -Risk assessment is a technique whereby hazards are identified and a balanced evaluation made of the consequential level of risk.

5 THE APPROACH TO RISK ASSESSMENT

5.1 Risk Assessment is not an end in itself; but a means to an end, whereby safe working practices are established and implemented. The techniques of risk assessment should be applied primarily to those significant hazards arising particularly from exposure to work activities, equipment and processes.

5.2 It can be considered in three parts:

5.2.1 **generic risk assessments**

5.2.2 **specific (tailored) risk assessments**, and

5.2.3 **self assessments**.

5.3 **Generic risk assessment** is a process which acknowledges that most hazards faced by any particular group of staff during the course of their work are common to all of them wherever they work. This can be the starting point for risk assessment, to aim for a consistent approach whereby key tasks required of such groups of staff are noted, the associated hazards identified and the corresponding risks evaluated.

5.4 **Specific (tailored) risk assessments** is the next stage whereby those generic risk assessments are "tailored" locally by managers and staff to reflect their work arrangements and locations; or a risk assessment is made of a specific situation or issue.

5.5 Self assessment acknowledges that everyone continuously undertakes "risk assessment" intuitively for a whole range of hazards they face, and the decisions taken to deal with those hazards are based on their competency

(i.e. experience and/or training) and capabilities. It would normally only be necessary to undertake a documented risk assessment where such hazards are significant and particularly need to be drawn to the attention of other people.

6 RISK ASSESSMENT PROCESS

- 6.1 The HSE Approved Code of Practice to the MHSW Regulations highlights the need to identify significant hazards associated with workplaces, procedures, substances, equipment and tasks.
- 6.2 It emphasises the need for management involvement during the assessments, for all aspects of the work activity to be reviewed and not solely the "technical" aspects of the task itself, that those persons or groups particularly at risk are identified, and **any existing control measures included in the assessment.**

A typical risk assessment process can be applied in four stages as follows:-

- 6.2.1 The overall job is divided into its relevant tasks using a Task Analysis (TA) approach taking into account those persons at risk, eg. employees, new or expectant mothers, service users, young persons (see Section 14).
 - 6.2.2 The significant hazards are then identified for each task.
 - 6.2.3 The level of risk for each hazard is evaluated using, typically, one of the methodologies described in Appendix 1, and taking into account any existing adequate control measures.
 - 6.2.4 Further control measures are then recommended as appropriate to manage the risk.
- 6.3 The risk assessment process can be documented using a pro-forma of the type given as Appendix 2.

7 TASK ANALYSIS (TA)

- 7.1. TA is a process by which relevant activities involved in a job can be identified and listed. A particular job or work activity would be broken down into a series of interrelated tasks; thus providing a reference for an initial generic risk assessment, and for a review in the event of any changes in the job.
- 7.2 It involves initially defining the Main Tasks by reference to any Job Description for the post, discussion with the employee(s) involved, discussion with their line manager etc.
- 7.3 The next stage is to break down those Main Tasks into Task Steps, again by discussion with appropriate safety representatives, the employee(s) and their line manager; and by the risk assessor's own knowledge of the job. Each Task Step must be numbered, if necessary in order of priority or sequence, as a cross-reference for the Hazard Identification process. The TA can also be recorded in block diagram form to illustrate the process, particularly where the correct sequence of tasks is important.

8 HAZARD IDENTIFICATION/RISK EVALUATION

- 8.1 Significant hazards with the most potential for harm are then identified from the TA for each task step, and their frequency and severity judged on the basis of the experience of the risk assessor, employees affected, historical incident data etc, to evaluate the level of risk.
- 8.2 Separately produced risk assessments based on other statutory requirements, eg for Manual Handling, Noise, Control of Substances Hazardous to Health (COSHH) must, as appropriate, be identified on the TA and cross-referenced in the Risk Assessment. They do not need to be repeated unless any situations have changed. Managers should contact specialists such as Lifting and Handling Advisor(s) for manual handling risk assessments; and their Health and Safety Advisers for other specific risk assessments such as Noise, COSHH.
- 8.3 The aim is to identify significant hazards, and not to obscure them by concentrating on trivial matters. Specific statutory provisions can provide a starting point for identifying significant hazards, and a guide to typical hazards is given in Appendix 3.
- 8.4 Any existing (control) measures must be taken into account provided they are sufficient and effective; together

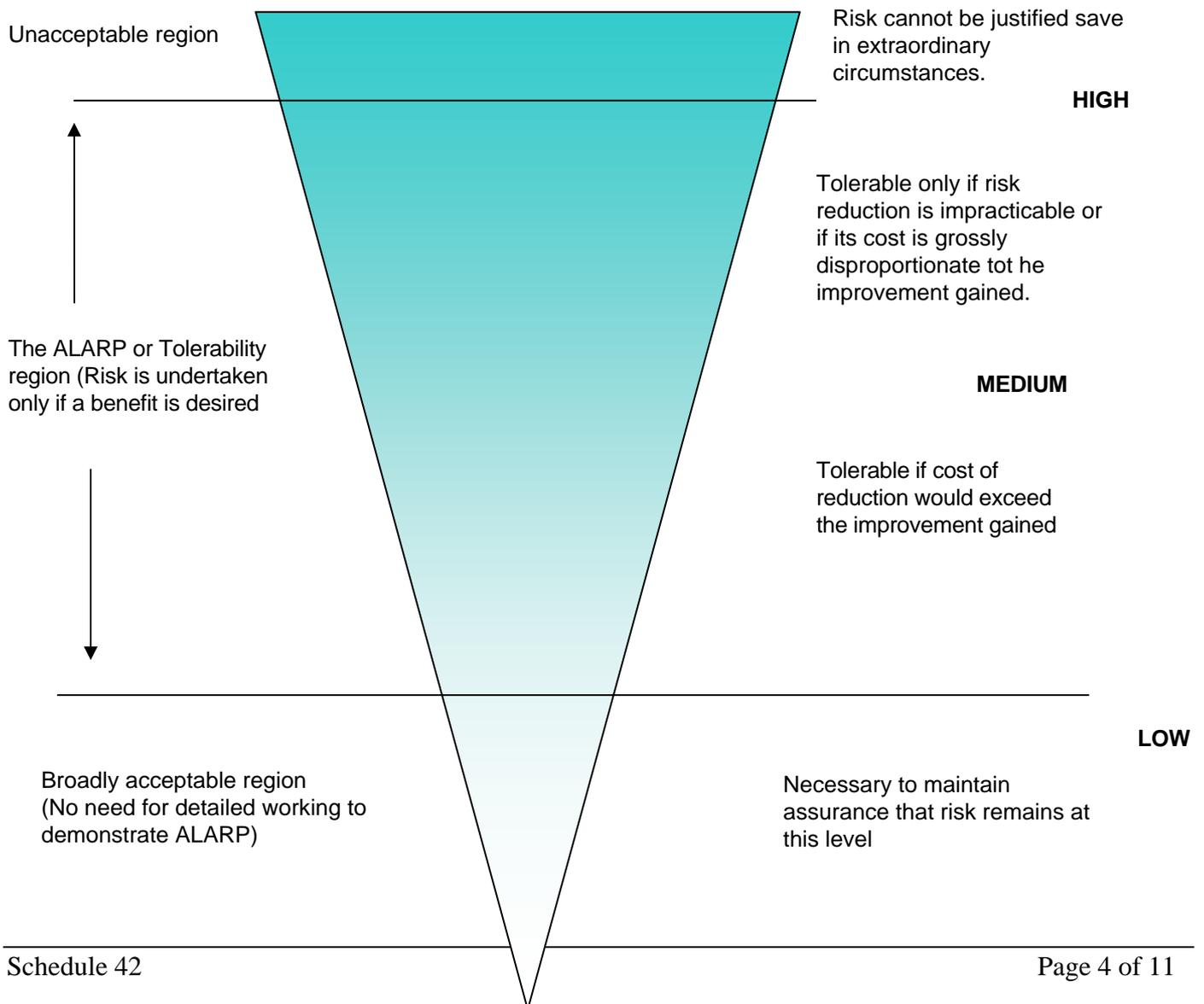
with any groups or persons who might be affected, eg. children, the public, those with limited mobility.

9 EVALUATION OF RISK

- 9.1 A qualitative approach to the evaluation of risk associated with work activities is considered generally the more appropriate for the majority of County Council work. Quantitative complex methods would normally only be required if the consequences are catastrophic.
- 9.2 Two examples of qualitative methods, which evaluate risk from the consideration of hazard frequency and severity, are given in Appendix 1; but other established methods can continue to be used.
- 9.3 It should be appreciated that hazard frequency is the frequency that harm might result, **not** how frequently the event or work activity takes place. Severity is the measure of the outcome in terms of the scale of injury or damage to property.

10 CONTROL MEASURES

- 10.1 The final stage of the risk assessment is to consider the appropriate control measures in the form of remedial action; which will include a review and reinforcement of existing working practices as well as proposing changes if appropriate.
- 10.2 In assessing and instituting control measures, resulting recommendations should be made on the basis, for example, of the ALARP principle (As Low As Reasonably Practicable); i.e.



Negligible risk

- 10.2.1 For **high risks**, they **must** be reduced to lower levels.
- 10.2.2 For **medium risks**, they should only be made where the benefits outweigh their associated costs.
- 10.2.3 For **low risks**, if they are considered tolerable, recommendations need not be made unless the benefits clearly outweigh their associated costs, but existing control measures must be maintained.
- 10.3 A hierarchy of control measures must then be applied, firstly:-
 - 10.3.1 Eliminate the risk, or
 - 10.3.2 Substitute with a less hazardous work activity, product, service etc, or
 - 10.3.3 Institute engineering and/or ergonomic controls, and/or
 - 10.3.4 Initiate a safe system of work, and/or
 - 10.3.5 Use personal protective equipment (PPE) (as a last resort).

11 IMPLEMENTING AND MAINTAINING RISK CONTROL MEASURES

- 11.1 The outcome of the risk assessment incorporating the necessary control measures must be communicated to those affected. Maintaining risk control measures requires on-going monitoring, supervision and compliance with safe working practices.

12 RISK ASSESSORS

- 12.1 Risk assessment should only be carried out by competent persons with practical knowledge of work activities. These will generally be Health and Safety Advisers, Lifting and Manual Handling specialists etc, and line managers, staff, or specialists experienced, or trained for this purpose.

13 GENERIC RISK ASSESSMENTS

- 13.1 Generic risk assessments can be produced for certain work activities by a risk assessor familiar with that work; and any recommendations prioritised. They should be subsequently issued to the appropriate line managers responsible for that particular employee group or work activity, and any accredited trade union safety representative affected.
- 13.2 Managers must then examine their generic risk assessments to determine whether they accurately represent the tasks and working practices carried out by their staff. As a result the manager or risk assessor may need to:
 - 13.3.1 modify risk levels to take into account any perceived differences in hazards and their associated frequency and/or severity, and to identify and prioritise any changes in the recommendations.
 - 13.3.2 add other tasks and then carry out the risk assessment for those tasks.
 - 13.3.3 note for future reference any task steps currently not applicable.

14 YOUNG PERSONS' RISK ASSESSMENTS

- 14.1 Risks to young persons/children ie. 17 years and under, must be assessed by their manager/supervisor, before they start. This will include those on work experience programmes, training schemes etc.
- 14.2 The risk assessment must take into account the likely inexperience, lack of awareness of risks and immaturity of young persons. Specific factors to be addressed should include:

- 14.2.1 the layout of the workplace and/or workstation.
- 14.2.2 the nature, degree and duration of exposure to any chemicals or biological agents.
- 14.2.3 the type and method of use of any work equipment.
- 14.2.4 their involvement in service provision and interaction with service users.
- 14.2.5 the relevant safety training to be provided.

- 14.3 If the risk assessment indicates that the work, or part of it, presents a high risk to any young persons then they must be prohibited from undertaking such work. Where they are undertaking work appropriate for their training, work experience etc, and are under proper supervision by a competent member of staff and provided the risks are reduced as far as reasonably practicable, this restriction need not apply.
- 14.4 Young persons must be told about risks to their health and safety identified by the risk assessment and the measures put in place to control them.
- 14.5 Those with parental responsibility for children under the minimum school leaving age (ie. 13-16 years) must be provided with information about those risks and the control measures required.
- 14.6 'Young persons' work should be monitored regularly to ensure that the control measures are implemented and effective.

15 REVIEW OF RISK ASSESSMENTS

- 15.1 Generic risk assessments must be reviewed annually or more frequently if significant changes occur in the job, e.g. to work activities, products or equipment, in the rate of occurrence of incidents, or if new guidance is received, and following incidents.

16 WORKPLACE RISK ASSESSMENTS

- 16.1 Premises, offices and other work places occupied by the County Council (whether owned by the County Council or not) will also be subject to the WHSW Regulations; and reference should be made to the County Council Policy on Workplace Health, Safety and Welfare in the County Council for more information.
- 16.2 These Regulations are prescriptive in terms of the physical/environmental conditions of workplaces, and consequently the need for a detailed risk assessment is likely to be the exception rather than the rule. However, risk assessment can be used to prioritise remedial action.
- 16.3 Significant hazards associated with other premises not occupied by the County Council, e.g. doctors' surgeries, shops, post office, but visited by employees must be reported orally or in writing to the owner/occupier since they are their responsibility. Employees should exercise reasonable care and self awareness on such premises.
- 16.4 Similarly, hazards associated with temporary workplaces, which could give rise to serious and imminent danger should be subject to a specific risk assessment. Examples might include work at a height, asbestos removal, work in confined spaces, work on the public highway.

17 INFORMATION TO EMPLOYEES

- 17.1 Risk assessments must be kept on the premises to which they relate, eg. posted on notice boards, and made available or issued to those employees affected, including safety representatives.
- 17.2 Those affected by particular risk assessments must be fully briefed on, and have access to, them through Supervision Meetings etc, and be made aware of the safe working practices to be observed to control or avoid the risks.

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policy/risk.assessment

EXAMPLES OF RISK ASSESSMENT METHODS**(a) Risk Matrix Method**

The evaluation of risk is based on:

the **frequency** of a hazard judged as:

LOW - where harm will seldom occur (eg. annually or less).

MEDIUM - where harm will frequently occur (eg. monthly).

HIGH - where it is almost certain that harm will occur (eg. at least daily).

the **severity** of a hazard determined from:

LOW - minor (first aid) injury.

MEDIUM - lost time accidents of one or more days, or significant damage to property.

HIGH - death or major injury (RIDDOR) to one or more people.

the frequency and the severity are then combined using the matrix below, from which the resultant risk level of low (L), medium (M) or high (H) can be read.

RISK MATRIX

FREQUENCY

H	M	H	H	
M	L	M	H	
L	L	L	M	
	L	M	H	SEVERITY

For example, **LOW** frequency and **HIGH** severity results in a **MEDIUM** risk.

(b) Risk Rating Method

RISK RATING (LO + LS = RR)			
LIKELY FREQUENCY/OCCURRENCE (LO)		LIKELY SEVERITY (LS)	
1	Rarely (less than annually)	1	Little or No injury/illness
2	Annually	2	Minor injury (first aid required)
3	Monthly	3	RIDDOR major injury
4	Daily	4	Fatality
5	More than once per day	5	Multi-Fatality

N.B The higher the Risk Rating, the higher the priority for action based on the ALARP principle.

A Risk Rating of 3 or less indicates a risk which is not significant and self assessment will suffice.

Typically, a Risk Rating of 4 or 5 indicates a LOW risk,
a Risk Rating of 6 or 7 indicates a MEDIUM risk, and
a Risk Rating of 8, 9 or 10 indicates a HIGH risk.

TYPICAL RISK ASSESSMENT REPORT PROFORMA

LOCATION/PREMISES					
JOB/WORK GROUP					
ASSESSMENT DATE			REVIEW DATE		
ASSESSOR			SIGNATURE		
HAZARD ANALYSIS (see overleaf as necessary)					
FREQUENCY			SEVERITY		
			RISK LEVEL		
OTHER RELEVANT ASSESSMENTS (eg. Noise, COSHH, Lifting and Handling)					
TASK STEP		PRIORITISED RECOMMENDATIONS/CONTROL MEASURES REQUIRED			IMPLEMENTATION DATE
SPECIFIC PERSONS AT RISK? (eg. New and Expectant Mothers, lone workers, young persons)					
Manager's Name:			Signature:		

RISK ASSESSMENT PROCESS - TYPICAL PROFORMA

TASK STEP	HAZARD DESCRIPTION	HAZARD CAUSE	HAZARD CONSEQUENCE	CURRENT CONTROLS	FREQ	SEV	RISK LEVEL	RECOMMENDATIONS/ CONTROL MEASURES

TYPICAL HAZARDS

HAZARD	DESCRIPTION
TRIPS/SLIPS/FALLS	Condition of flooring (slippery/uneven/broken) stairs etc. Spills, obstructions/tripping hazards.
FALLS FROM HEIGHT/ WORK AT A HEIGHT	Steps, stairs, balconies, ladders, scaffolds, holes, ramps, windows
STRUCK BY OBJECT	Stepping on/striking against. Hit by protruding/projected/falling/swinging objects. Trapped, cut or crushed by.
VEHICLES/TRANSPORT	Collision with other moving or stationary vehicles, cycles and/or pedestrians. Safety in workshops and on the highway.
MACHINERY	Powered moving parts eg. fans, woodworking machines, abrasive wheels, lathes. (Individual regulations and Work Equipment Regulations 1992 will also apply).
HAND TOOLS	Powered portable eg. electric drill, off-hand grinder, chainsaw. Manual eg. knife, guillotine, screwdrivers. (Work Equipment Regulations 1992 will also apply).
VIBRATION	Vibration in the body eg. road drill, sander, compressor, chainsaw, possibly vibration white finger.
PRESSURE SYSTEMS	Systems governed by Pressure Systems Regulations 1989 . Including steam, vacuum and hydraulics.
ELECTRICITY	Mains supply, fixed and portable appliances and wiring, extension leads, batteries and static electricity. Protective devices.
RADIATION	Ionising radiation eg. smoke detectors, illuminated exit signs, radioactivity. Non-ionising radiation eg. lasers, microwaves, welding.
NOISE	Loud ie. over 85 decibels (Noise at Work Regulations 1989 will apply) consider nuisance noise eg. fluorescent tubes, machine fans, printers.
TEMPERATURE EXTREMES	Contact with hot or cold surfaces or substances eg. steam, radiators, irons, freezers. Including extreme ambient temperatures. (Workplace (Health, Safety and Welfare) Regulations 1992 will also apply).
FIRE/EXPLOSION	Check fire precautions. Gas/Flammable liquid leaks. Storage of combustible materials and chemicals/substances. Sources of ignition. (Workplace (Fire Precautions) Regulations 1997 will also apply).
CHEMICALS/DUST PESTICIDES/LEAD	Substances potentially harmful including cleaning substances, paints, solvents, wood dust, lead, pesticides, bacteria, fumes, etc. (Control of Substances Hazardous to Health Regulations 1994 and Pesticides Regulations 1986 will also apply).
ASBESTOS	May be found in pipe lagging, ceiling/wall tiles, fire protection, brake and clutch linings. (Control of Asbestos at Work (Amendment) Regulations 1992 will also apply). Location/Extent/Type?
VENTILATION	Hot, stuffy atmosphere, build up of fumes, eg. machine rooms, fume cupboards, extraction systems.

HAZARD	DESCRIPTION
LIGHTING	<i>Natural and artificial. Too bright, too dark. Day and night, all areas inside and outside.</i>
ACCESS/EXIT ROUTES	<i>Suitable. Accessible. Well maintained.</i>
CONFINED SPACES	<i>Movement and/or oxygen restricted, eg. trench, tunnels, stores, boiler rooms, maintenance activities.</i>
HOUSEKEEPING	<i>General tidiness, obstacles, overcrowding, standard of cleaning.</i>
STACKING/STORAGE	<i>Stores, shelves, cupboards. Stable, suitable, sturdy, accessible.</i>
MANUAL HANDLING	<i>Movement of loads including people. Also bending, stretching, repetitive movements. (Manual Handling Operations Regulations 1992 will also apply).</i>
DISPLAY SCREEN EQUIPMENT	<i>VDU's, workstations, associated equipment and environments. WRULDs , eyestrain? (Display Screen Equipment Regulations 1992 will also apply).</i>
PROTECTIVE CLOTHING/EQUIPMENT	<i>Include protective clothing. Any risks arising from the use of the clothing or equipment. (Personal Protective Equipment Regulations 1992 will also apply).</i>
VIOLENCE/AGGRESSION	<i>Where people may be threatened or abused verbally or physically, eg. contact with public/service users, face to face, telephone.</i>
STRESS/FATIGUE	<i>Working conditions and environments. eg. excessive heat, overcrowding, understaffing, noise.</i>
SPORTS ACTIVITIES	<i>Organised sport/physical training, other recreational activities.</i>
LONE WORKING	<i>Eg. Home visits, weekend working, call-out, enforcement work.</i>
DISEASE/ILL HEALTH/INFECTION	<i>Any situations where disease can be caught. Cleaning/hygiene standards, working practices apply. Examples Tetanus, Hepatitis B, Weils Disease.</i>
ANIMALS	<i>Contact with animals. Domestic, laboratory or wild.</i>

Note: Reference should also be made to any County Council Safety Policies relevant to the above hazards, particularly where more prescriptive action is required.

Risk Management Policy Statement

Brighton & Hove Council is aware that some risks will always exist and will never be eliminated.

The council recognises that it has a responsibility to manage hazards and risks and supports a structured and focused approach to managing them by approval of the risk management strategy.

In this way the council will better achieve its corporate objectives and enhance the value of services it provides to the community.

The Council's risk management strategy's objectives are to:

- Integrate risk management into the culture of the council
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Prevent injury, damage and losses and reduce the cost of risk
- Raise awareness of the need for risk management by all those connected with the council's delivery of services

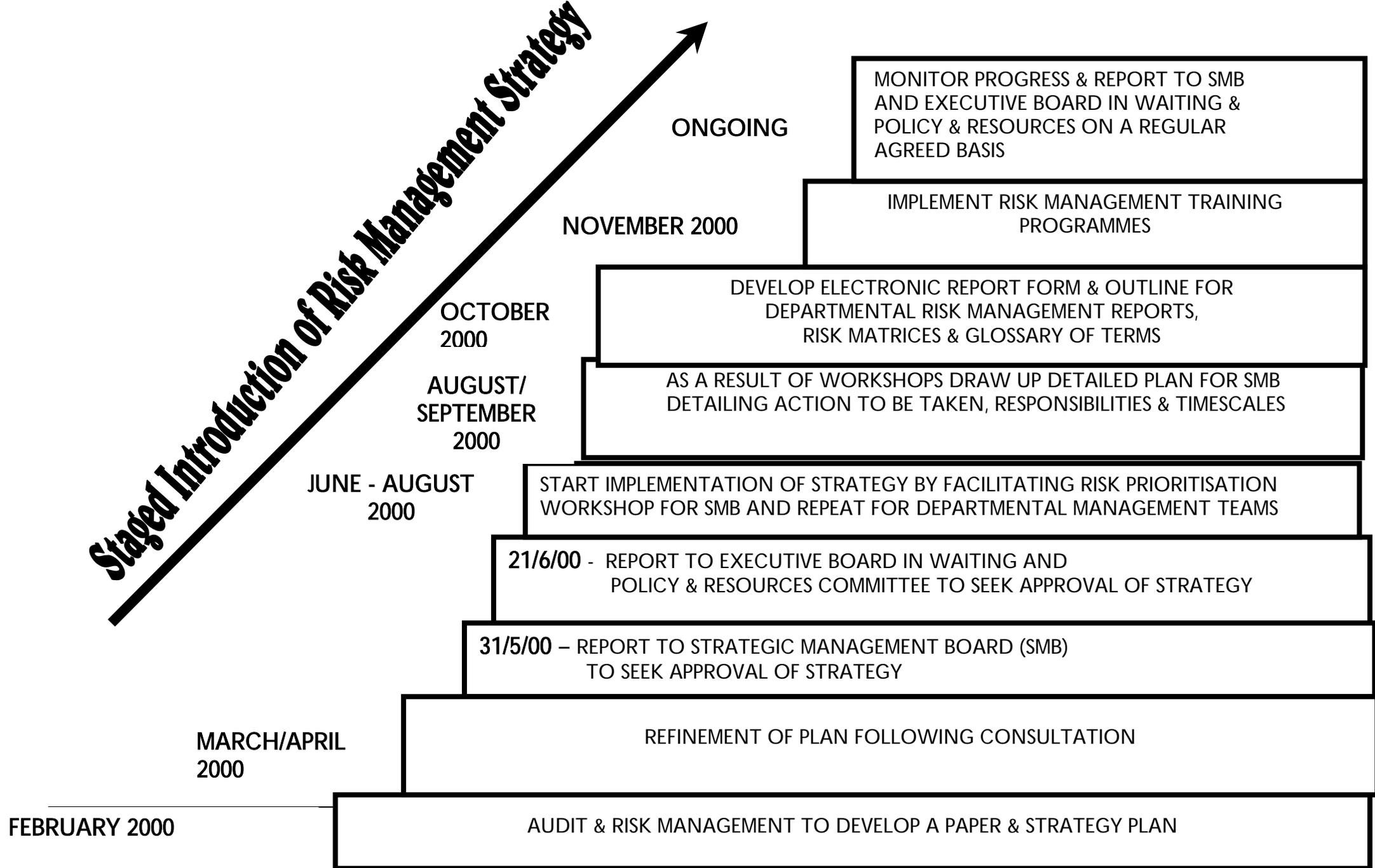
These objectives will be achieved by:

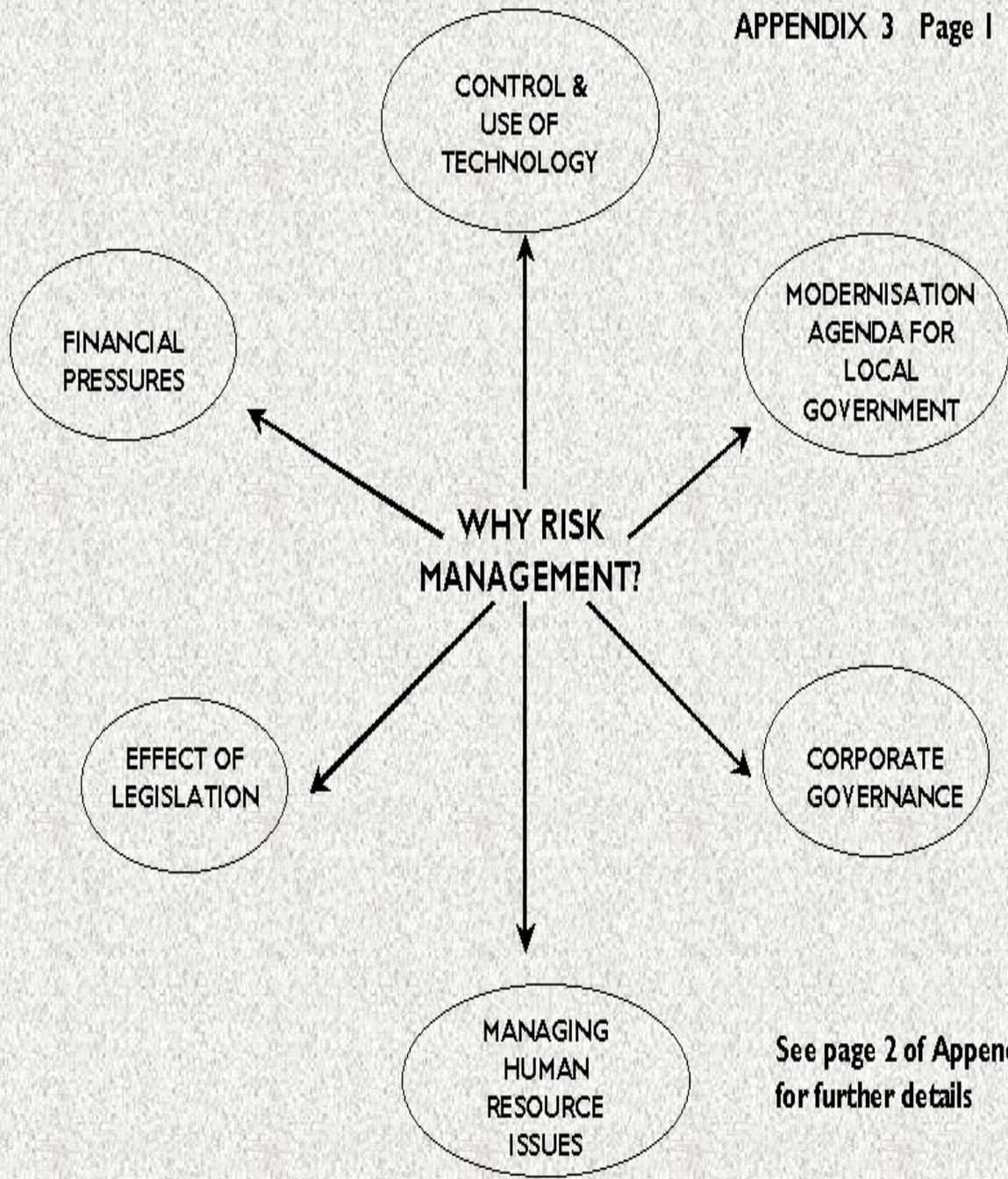
- Establishing clear roles, responsibilities and reporting lines within the council for risk management
- Providing opportunities for shared learning on risk management across the council
- Offering a framework for allocating resources to identified priority risk areas
- Reinforcing the importance of effective risk management as part of the everyday work of employees by offering training
- Incorporating risk management considerations into Best Value Reviews of Services
- Monitoring arrangements on an on-going basis

Signed:

Date:

Staged Introduction of Risk Management Strategy





See page 2 of Appendix for further details

CONTROL & USE OF TECHNOLOGY

- E-COMMERCE - all services to be delivered electronically by 2008
- IT SECURITY - compliance with BS7799
- BUSINESS CONTINUITY - manage dependency on IT facilities

MODERNISATION AGENDA FOR LOCAL GOVERNMENT

- FUNDING BY SPECIAL GRANTS - four-fold increase in this type of funding, has "strings attached" and those risks must be managed
- PARTNERSHIP WORKING - e.g. Crime & Disorder Act (1998) raises questions of which party is responsible if something goes wrong
- REVIEW OF LOCAL GOVERNMENT FINANCIAL SETTLEMENT - Performance Plan emphasis proposed - risk management could assist
- BEST VALUE - Continuing improvement drive and proposed Best Value Performance Indicator to assess Corporate Health based on risk management activity - see Appendix 9 for details

CORPORATE GOVERNANCE

- IMPLEMENTATION OF RISK MANAGEMENT IN NATIONAL HEALTH SERVICE - evidence that risk management is relevant to the public sector
- CENTRAL GOVERNMENT TO PRACTICE RISK MANAGEMENT BY 2002
 - may require local government to follow suit
- "TURNBULL" REPORT - the latest report added to the Combined Code of Practice. Recommendations apply to Private Sector and requires the Board to consider the nature and extent of risks facing the company. This is recommended as good practice for the public sector

HUMAN RESOURCE ISSUES

- CHANGE MANAGEMENT - there are issues for this council
- MANAGEMENT CHARTER INITIATIVE - see Appendix 4 for link to risk management

LEGISLATION

- HUMAN RIGHTS ACT (1998)
- LOCAL GOVERNMENT BILL (ACT) 2000
- HEALTH & SAFETY LEGISLATION
- RELAXATION OF RESTRICTION ON LOCAL AUTHORITIES INCOME GENERATION
- LEGISLATION & CLAIM TRENDS - e.g. Civil Justice "Woolf" Reforms and increased damages awards for claimants will require a review of self-insurance provision

FINANCIAL PRESSURES

- COST OF RISK £25M (E) FOR 1998/9 - based on ALARM's recommended calculation. If cost of risk established and reduced, it would release funds needed at the council
- 2% EFFICIENCY SAVINGS REQUIRED BY GOVERNMENT
- RISK OF FAILURE OF PARTNERSHIP PROJECTS (PFIs/SRB FUNDS) - in the event of failure the council is the "accountable body". This responsibility carries risks and needs to be managed
- DIMINISHING RESOURCE BASE
- INVESTMENT RISKS - those associated with large capital projects which may overspend/over-run
- MACRO-ECONOMIC POSITION - both regionally and nationally may alter. Policy making should consider this risk

The relationship of Risk Management to the Management Charter Initiative National Management Standards

The Key Roles and Responsibilities Underpinning Effective Risk Management

Key Role A – Manage Activities

Maintain activities to meet requirements
Manage activities to meet requirements
Review external and internal operating environments
Evaluate and improve organisational performance

Key Role B – Manage Resources

Manage the use of physical resources
Manage the use of financial resources
Determine the effective use of resources
Secure financial resources for the organisation's plans

Key Role C – Manage People

Manage the performance of teams and individuals
Lead the work of teams and individuals to achieve their objectives

Key Role D – Manage Information

Establish information management and communication systems
Use information to take critical decisions

Key Role E – Manage Energy

Monitor and evaluate energy efficiency
Identify improvements to energy efficiency

Key Role F – Manage Quality

Monitor compliance with quality systems
Carry out quality audits

Key Role G – Manage Projects

Plan and prepare projects
Complete projects

Key Role H – Manage Environmental Performance

Audit environmental performance
Identify, implement and monitor action to improve environmental performance

TERMS OF REFERENCE OF RISK MANAGEMENT STEERING GROUP

Mission Statement

“The Risk Management Steering Group will develop a formal framework to assist Brighton & Hove Council to manage hazards and risks to achieve the council's strategic priorities and deliver services to the community”

Who we are, What we do and For whom

The Risk Management Steering Group will consist of:

- Health and Safety – Pat James, Health & Safety Manager, Performance & Resources,
Or, in her absence,
Hilary Ellis, Health & Safety Officer, Performance & Resources
- Emergency Planning – David Rowley, Emergency Planning Officer, Culture & Regeneration
Or, in his absence,
John Locke, Deputy Emergency Planning Officer,
Performance & Resources
- Auditor – Paul Eddleston, Head of Audit & Risk Management, Performance & Resources
Or, in his absence,
Ian Withers, Principal Audit Manager, Performance & Resources
- Risk Management – Jackie Algar, Risk Manager, Performance & Resources
Or, in her absence,
Clair Hopkins, Risk Management Officer, Performance & Resources

By having a nominated representative, and a deputy, from each section, it is hoped that there will always be representation by each discipline at every meeting. The meetings will be chaired by the Risk Manager, or auditor in her absence

What We Do

Health & Safety

The remit of the corporate health and safety section is to support the council with its responsibilities to administer and positively monitor the implementation of the council's health and safety policy and to take the necessary action to ensure, as far as is reasonably practicable, the health, safety and welfare of council employees and others who may be affected by departmental activities.

Emergency Planning

The council's Emergency Planning service has three roles:

1. The production of contingency plans for major emergencies or incidents and events involving the public.
2. Ensuring that council staff are prepared to manage a major incident through an annual training programme of external and in-house courses and seminars.
3. Liaising and consulting with the Emergency Services, Health Organisations, Voluntary Agencies and adjoining other local authorities to ensure that:
 - Plans interlock
 - Expectations per service are understood
 - Communications are adequate

The objectives of local authority emergency planning are to ensure that:

- the council's response is co-ordinated with that of the emergency services, service providers (such as utility companies) and government departments
- the council's response is defined and appropriate
- the roles of support organisations, including the voluntary agencies, are defined
- arrangements for call-outs are specified
- lines of communication for giving all types of assistance are established
- procedures exist for mobilising resources needed to restore normality and reinstate the infrastructure
- assistance to those in distress can be provided and a return to normality is facilitated
- duplication of effort is avoided

Risk Management

The Risk Management team fulfil a corporate role in steering projects to address hazards and risks which affect the council corporately, the risk management strategy is the main vehicle for this.

Risk Management is a technique for assessing and making decisions on how hazards and risks may affect the business process, including achievement of the council's objectives, and the reduction in resource wastage.

Internal Audit

The primary purpose of Internal Audit is to assist management through the provision of objective advice and the conduct of appraisals covering the design and operation of systems of control.

Internal Audit will report the extent to which procedures:

- ensure compliance with relevant legislation and codes of practice and procedures
- ensure adherence to the council's policies and directives
- safeguard assets and promote the economical and efficient use of resources
- ensure the propriety of operations and transactions

For Whom

All of the disciplines above are focussed on providing Brighton & Hove Council with a strategy to protect against hazards and risks and to manage them effectively.

Assistance to specific areas within council departments is also provided as and when it is required.

The main focus is to promote the effectiveness of Brighton & Hove Council's ability to meet legislative and best practice requirements in the delivery of services and to identify hazards and assess the risks in order that corporate well-being is protected, continued and promoted.

By forming the Risk Management Steering Group the respective functions will be enhanced whilst retaining the specialist roles to continue to be delivered within their existing locations within the council.

Aims & Objectives

The Risk Management Steering Group will:

1. Draw recognised risk management disciplines from across the council together to provide a more cohesive service to the corporate body and service departments
2. Encourage a more "rounded" or holistic approach to the management of hazards and risks in order that these can be assessed at the outset of a project, during the delivery of service and also when adaptations need to be made because of experience and/or the emergence of new legislation or trends
3. Develop a formal framework for the management of risks in terms of operational and strategic hazards
4. Add to the processes of the Best Value reviews which will be undertaken across all council services over the next five years, and continuing thereafter on a five yearly cycle
5. Develop methods to inform the Strategic Management Board and Members of the total cost of risk, including the costs of crime, that can be identified across the council
6. Analyse and collate departmental reports on self-assessment of risks and every six months will produce a summary report for the Strategic Management Board and Members. This analysis will identify hazards and risks which affect a number of departments and the corporate body. It will also forward the departmental reports to the Strategic Management Board.
7. Make recommendations to the Strategic Management Board as to how:
 - generic and cross-departmental hazards and risks identified from the departmental self-assessments
 - future issues in legislative change and trends requiring actioncould be programmed in a timely and resource effective manner.
8. Form risk management sub-groups constituted from relevant persons to investigate and act upon issues which require resolution.
9. Explore and develop partnership working with external agencies and other authorities to assist staff, the community of Brighton & Hove and those who visit the town by improving the management of risk at Brighton & Hove Council
10. Seek to introduce training on risk management issues for all levels of people connected to the council, by harnessing existing methods of training delivery and developing new opportunities for training
11. Disseminate information to departmental contacts, the Strategic Management Board and Members on risk issues on an agreed regular basis
12. Facilitate a framework in order that information to employees of the council pertaining to risk management initiatives, or risk management action plans will be disseminated via:
 - The Risk Management Steering Group
 - Risk Management Sub-Groups
 - Departmental Management Teams

- Training programmes

<p>Strategic Hazards/Risks Those which have been identified by Members and the Strategic Management Board as potentially damaging to the achievement of the council's objectives</p> <p><i>These are <u>examples</u> of hazards under each category of risk</i></p>	<p>Operational Hazards/Risks Should be managed by departmental officers who will be responsible for operating and maintaining the services</p> <p><i>These are <u>examples</u> of hazards under each category of risk</i></p>
<p style="text-align: center;">Political</p> <p>Wrong Strategic Priorities Adverse Government policy Too slow to innovate/modernise Decisions based on incomplete or faulty information Unfulfilled promises to electorate Image management</p>	<p style="text-align: center;">Professional</p> <p>Recruitment/Retention of qualified staff Investing in Training Over reliance on key officers Inefficient/ineffective management processes Inability to implement change Lack of employee motivation/efficiency Management of partnership working</p>
<p style="text-align: center;">Economic</p> <p>General Economic problems Regional Economic problems High cost of capital Treasury Risk Misuse of financial resources Occurrence of fraud Breakdown of accounting system Unrecorded liabilities Unreliable accounting records</p>	<p style="text-align: center;">Financial</p> <p>Failure of major project(s) Missed business and service opportunities Failure to prioritise, allocate appropriate budgets and monitor Inefficient/ineffective processing of documents</p>
<p style="text-align: center;">Social</p> <p>Meeting the needs of disadvantaged communities Tracking the changes in population base Employment opportunities Regeneration Partnership working Life-long learning</p>	<p style="text-align: center;">Legal</p> <p>Meeting statutory duties/deadlines Breach of confidentiality/Data Protection Acts requirements European Directives on Procurement of Services Implementation of legislative change</p>

<p>Strategic Hazards/Risks Those which have been identified by Members and the Strategic Management Board as potentially damaging to the achievement of the council's objectives</p> <p><i>These are <u>examples</u> of hazards under each category of risk</i></p>	<p>Operational Hazards/Risks Should be managed by departmental officers who will be responsible for operating and maintaining the services</p> <p><i>These are <u>examples</u> of hazards under each category of risk</i></p>
<p style="text-align: center;">Technological</p> <p>Obsolescence of technology Technology strategy Penetration and attack of IT systems by hackers</p>	<p style="text-align: center;">Physical</p> <p>Human Resources issues Loss of intangible assets Health and Safety Loss of physical assets Business Continuity</p>
<p style="text-align: center;">Legislative</p> <p>Breach of law – judicial review/Human Rights Actions Penalties/Fines Timely preparation/response to forthcoming legislation Intervention by the Best Value Inspectorate</p>	<p style="text-align: center;">Contractual</p> <p>Over reliance on key suppliers/contractors Failure of outsource provider to deliver Quality issues</p>
<p style="text-align: center;">Environmental</p> <p>Local Agenda 21 policies Waste Disposal/Recycling Strategies</p>	<p style="text-align: center;">Technological</p> <p>Failure of big technology related project IT systems affecting service delivery Inability to implement change</p>
<p style="text-align: center;">Competitive</p> <p>Take-over target (services could be provided by Government/Agencies) Best Value Bids for Government Funds</p>	<p style="text-align: center;">Environmental</p> <p>Local Agenda 21 policies Crime & Disorder Act implications</p>
<p style="text-align: center;">Customer/Citizen</p> <p>Appropriate consultation Engaging electorate Social policies</p>	

RISK MATRIX – STRATEGIC (to be used by Strategic Management Board and Members to structure the collection of information to ensure that risk is assessed in strategic decisions and policies).

The following key and boxes outline how to risk score on the Risk Matrix overleaf

LIKELIHOOD (Of occurrence)	Low	= Unlikely/Small chance	Score 1
	Medium	= Average chance	Score 2
	High	= Strong/Very strong possibility	Score 3

L I K E L I H O O D	3	M	H	H
	2	L	M	H
	1	L	L	M
		1	2	3
	SEVERITY			

ACTION TO TAKE AFTER SCORING

High = Review & Act	Medium = Review Control	Low = Limited Action Required
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SEVERITY OF IMPACT	PERSONAL SAFETY	FAILURE TO PROVIDE STATUTORY SERVICES/MEET LEGAL OBLIGATIONS	FINANCIAL LOSS OR BUSINESS DISRUPTION	PERSONAL PRIVACY INFRINGEMENT	EMBARRASSMENT
LOW Score 1	Minor injury or discomfort to an individual or to several people	Litigation or claim from £1k/£100K	£1K to £100k	Isolated personal details compromised/ personal details revealed	Contained within section/ department or division
MEDIUM Score 2	Major injury to individual or to several people	Litigation, claim(s) or fine(s) £100k to £500k	£100K to £500k	Several personal details compromised/ revealed	Local or public interest/ National public or press aware
HIGH Score 3	Death of an individual or to several people	Custodial sentence imposed. Litigation, - civil claim(s) /criminal Suit(s) or fine(s) £500k -£1M +	£500k to £1m +	All personal details revealed and/or compromised	Officer(s) and/or Member(s) forced to resign

RISK MATRIX - STRATEGIC (to be used by Strategic Management Board and Members to structure the collection of information to ensure that risk is assessed in strategic decisions and policies).

Name Job title Dept/Location

Date / /00

Categories of risk action	Hazards	Risk	L	S	L X S = Risk Score	Control	Review Frequency	Responsibility
Political - associated with failure to deliver local or central policy/manifesto commitments								
Economic - failure to meet financial commitments or budget								

Categories of risk action	Hazards	Risk	L	S	L X S = Risk Score	Control	Review Frequency	Responsibility
Social – relating to community								
Technological - capacity of council to deal with change/failure of technology								
Environmental - consequences of progressing strategic objectives								
Competitive - Service competition cost/quality/Best Value								

Categories of risk action	Hazards	Risk	L	S	L X S = Risk Score	Control	Review Frequency	Responsibility
Customer/Citizen Failure to meet current & future needs of customers/citizens								

RISK MATRIX – OPERATIONAL (to be used by managers to structure the collection of information to ensure that risk is managed systematically in all of the activities that deliver their service).

The following key and boxes outline how to risk score on the Risk Matrix overleaf

LIKELIHOOD (Of occurrence)	Low	= Unlikely/Small chance	Score 1
	Medium	= Average chance	Score 2
	High	= Strong/Very strong possibility	Score 3

L I K E L I H O O D	3	M	H	H
	2	L	M	H
	1	L	L	M
		1	2	3
	SEVERITY			

ACTION TO TAKE AFTER SCORING

High = Review & Act Medium = Review Control Low = Limited Action Required

SEVERITY OF IMPACT	PERSONAL SAFETY	FAILURE TO PROVIDE STATUTORY SERVICES/MEET LEGAL OBLIGATIONS	FINANCIAL LOSS OR BUSINESS DISRUPTION	PERSONAL PRIVACY INFRINGEMENT	EMBARRASSMENT
LOW Score 1	Minor injury or discomfort to an individual or to several people	Litigation or claim from £1k/£100K	£1K to £100k	Isolated personal details compromised/ personal details revealed	Contained within section/ department or division
MEDIUM Score 2	Major injury to individual or to several people	Litigation, claim(s) or fine(s) £100k to £500k	£100K to £500k	Several personal details compromised/ revealed	Local or public interest/ National public or press aware
HIGH Score 3	Death of an individual or to several people	Custodial sentence imposed. Litigation, - civil claim(s) /criminal Suit(s) or fine(s) £500k -£1M +	£500k to £1m +	All personal details revealed and/or compromised	Officer(s) and/or Member(s) forced to resign

RISK MATRIX - OPERATIONAL (to be completed within departments & forwarded to DMT)

Name Job title Dept/Location

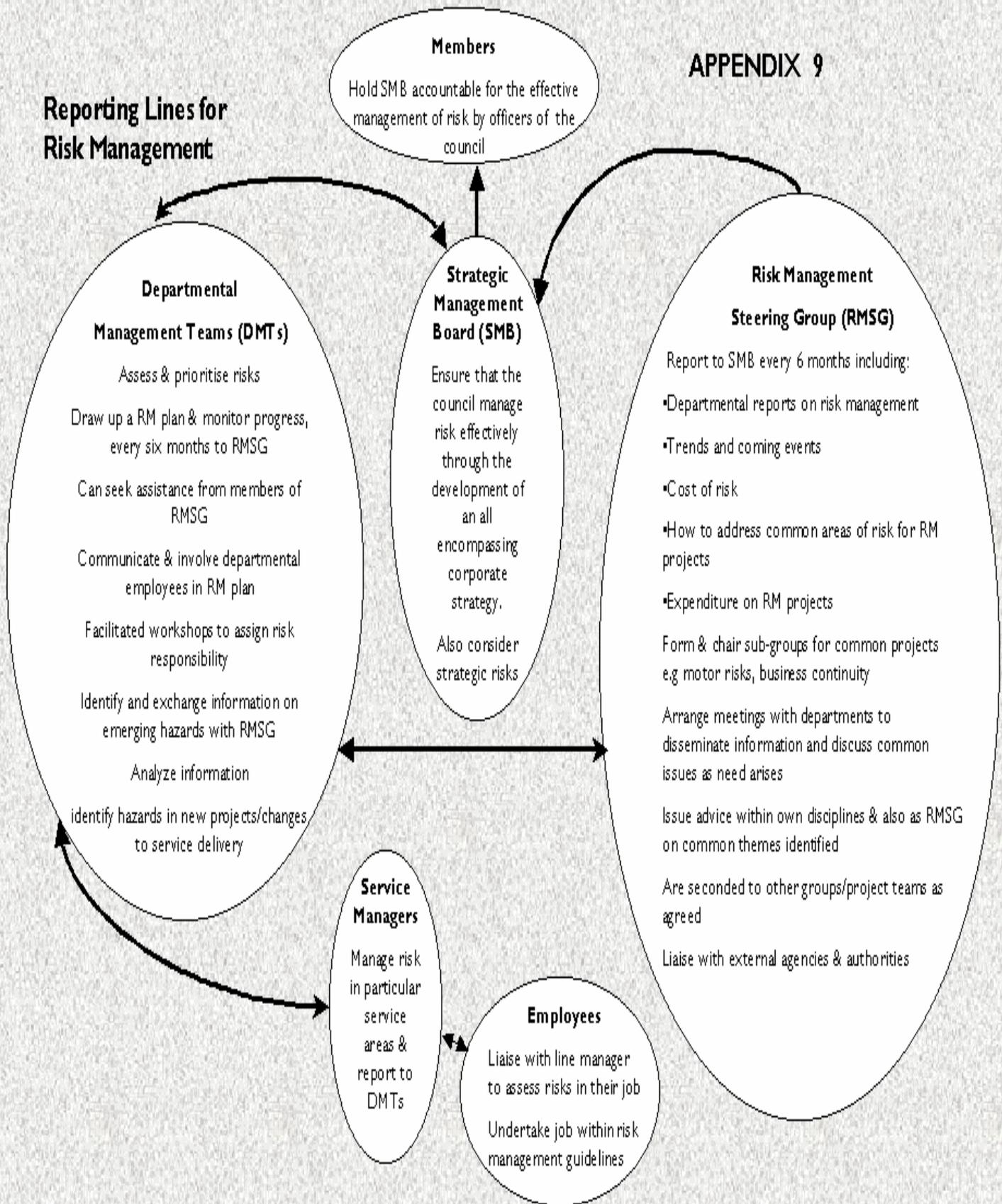
Date / /00

Categories of risk action	Hazards	Risk	L	S	L X S = Risk Score	Control	Review Frequency	Responsibility
Professional - associated with the particular nature of each profession								
Financial - related to financial planning and control and the adequacy of risk financing								

Legal - related to possible breaches of legislation								
Categories of risk action	Hazards	Risk	L	S	L X S = Risk Score	Control	Review Frequency	Responsibility
Physical - e.g. fire, security, accident prevention and health and safety								
Contractual - e.g. failure of contractors								

Technological - relating to failure of equipment								
Environmental - those relating to pollution, noise or energy efficiency of ongoing service operation								

Reporting Lines for Risk Management



The Association of Local Authority Risk Managers' (ALARM's) submission to DETR/Audit Commission for a Best Value Performance Indicator to assess Corporate Health

"In order to demonstrate a Best Value Risk Management programme, the following criterion should be met:

"BV3 The Authority has a formal framework for managing risk and has implemented an effective strategy on managing risk which is led by the Chief Executive and Chief Officers"

Ten ways to measure if that is happening within your authority - yes to all denotes 100% compliance

1. Is there a documented framework or policy for managing risk updated in the last two years and incorporated into the organisations operating procedures?
2. Have the senior management approved this and is there a formal structure for advising senior management and elected Members of the risk management implications of decisions?
3. Is there evidence that the policy or framework has been implemented and is being monitored and reviewed in the search for continuous improvement?
4. Is there a procedure in place for systematically identifying and assessing risk exposures?
5. Is there evidence that the Organisation evaluates the risks and prioritises them for action based on the criticality of service provision and provides the appropriate resources required for controlling risk?
6. Is Risk Management included within service and business plans and in service reviews?
7. Is there evidence that service recovery plans have been developed and tested?
8. Have proper provisions been made for financing risk that fit with the systematic identification and assessment of risk exposures?
9. Does the Organisation participate in a local benchmarking group, independently or through ALARM, measuring risk financing, the cost of risk, the components of the cost of risk, risk contributors and the comparisons of best practice to improve risk control?
10. Has the Organisation made a plan to conduct a specific Best Value review of risk management in the next five years?"

Source: ALARM January 2000 - www.alarm-uk.com