**THE IMPORTANCE OF RISK MANAGEMENT AND INSURANCE**

Each council should have in place a system to help it manage risk. This will be a simple system for small councils and more complex for larger councils. Risk management is important. The failure to manage risk effectively can be expensive in financial terms and also in terms of service delivery. Most councils will already be assessing and managing risk in some way or other but there may be some room to improve the process and to properly document it.

Members are ultimately responsible for risk management because risks can threaten a council's ability to achieve its objectives. Members should:

* Identify the key risks facing the council
* Evaluate the potential to the council of one of these risks taking place; and
* Agree measures to avoid, reduce or control the risk or its consequence.

Every council is different and there is no such thing as a standard list of risks. There are however a number of common themes that are likely to emerge. These might include:

* Physical assets - buildings, equipment, IT hardware etc.
* Finance - banking, loss of income, petty cash etc.
* Injury to the public - in playgrounds, recreation grounds, village halls, burial

grounds etc.

* Complying with legal requirements - agendas, minutes, burial records etc.
* Councillor propriety- declarations of interest, gifts and hospitality etc.

Each group of risks needs to be considered and how they can be minimised or transferred by such means as taking out insurance, securing alarms or by regular maintenance or inspection. In addition to identifying the potential risks, it is also good practice to make a judgement about the likelihood of the risk occurring and its likely impact.

There are three main ways of managing risk,

* Take out insurance;
* Work with another party to reduce the risk; or
* Manage the risk yourself

Further guidance on managing risk is given on pages 32 to 38 of “Governance and Accountability in Local Councils in England and Wales - A Practitioner's Guide”

The following tables are a suggested method of recording a local council's Risk Management considerations.

**Lindale and Newton in Cartmel Parish Council Risk Management considerations**: December 2019

|  |  |  |  |
| --- | --- | --- | --- |
| **Area** | **Risk** | Level | Control (and agreed improvements) |
| **Assets** | Protection of physical assets | M | Wilkinson Monument, War Memorial, Parish Seats, Play area equipment, Public toilets.  Asset register reviewed and updated March 2019 |
| Security of buildings equipment  etc | H | Toilets locked and drained during winter (Nov-April) Weekly checks by Parish Councillors  Annual financial provision made for future maintenance and repairs. |
| **Finance** | Loss of Parish Council funds through theft or dishonesty | H | Two signatures on all cheques and transfer of funds. RFO does not sign on accounts.  Annual independent Internal Audit.  Fidelity Ins Cover £30k which will be sufficient cover for year end balances and start of year balances following receipt of precept in April.  To be reviewed annually. |
| Financial controls and records | M | Monthly reconciliation prepared by RFO/Clerk and reported to council at regular meetings.  Financial Regulations updated January 2016  No Matters Arising from Audit 2018/19  More detailed explanation for Box receipts requested. |
| **Liability** | Risk to third party, property or  individuals | M | Insurance in place. Open spaces checked weekly. Trees investigated when damage  reported and removed by contractors.  Employers Liability Insurance in place.  **Visual inspection risk assessment for Christmas lights completed Dec annually.**  Employers Liability Insurance in place.  Regular Maintenance Programme for all Parish Areas.  Bergen Tree Services have carried out a lot of remedial work and  removal of trees during 2018/19 on Parish trees. They have indicated further work required on Ash trees in Newton gardens suffering from Ash die-back. |
| Legal liability as consequence of  asset ownership (especially playgrounds and skateboard park). | H | Insurance in place. Weekly checks of play grounds and skate park by Parish Councillors. Written reports kept. Monthly check of all skateboard and play equipment by SLDC Playground Inspector. –  Public Toilets – DDA compliance.  Access statement where provides disabled access/facilities – Now in place.  Project to upgrade footpath from Skateboard Park completed September 2015  Damage to footpath in storm December 2015 – footpath restored and uneven surface in car park re-surfaced Summer 2018 |
| **Legal**  **Liability** | Ensure that all activities are  within legal powers.  Ensure Governance requirements are followed with regard to Meetings, Agendas, Minutes, Standing Orders, Freedom of Information etc | H | Clerk clarifies legal position on any new proposal.  Legal advice to be sought where necessary.  Reference to Governance Toolkit for Parish & Town Councils (SLCC)  New GDPR procedures implemented Summer 2018 |
| **Employees** | Long term absence from duty of clerk due to illness | L | Consider arrangement with clerk of an adjacent parish to cover.  Additional salary to be covered from reserves.  Referred to CALC for further guidance – advised most PC’s do not have arrangement in place or use Locum Clerk. CALC advise insurance can be taken out, but this can be expensive.  Members agreed that this was low risk because realistically assurances could not be obtained from any specific source until occurrence. |

# LINDALE AND NEWTON IN CARTMEL PARISH COUNCIL

**Risk Assessment updated 05/12/2019**

|  |  |  |
| --- | --- | --- |
| Item | **Risk to Council** | **Proposed Action** |
| 1 | **Loss or injury to members of the public**  **Injury to employees while carrying out council duties**  **Loss of or damage to money belonging to the council**  **Loss caused by fraud or dishonesty of employees** | **Insurance Act introduced 2016- Renewal procedures in 2017 will be affected by this. In depth review of cover to be carried out in Spring Annually in accordance with new requirements.**  **Public Liability Insurance**  **Employers Liability Insurance**  **Insurance cover - Fidelity Guarantee Insurance up to £30,000**  **Renewal date 1st June annually.** |
| 2 | **Damage to property-**  **-Public toilet block and fittings**  **- 2 Stone bus shelters in Lindale**  **-1 roughcast bus shelter in Newton**  **- Play equipment in Lindale**  **-Skateboard equipment in Lindale**  **-Laptop**  **-Notice board/village map**  **- Street Lights**  **-Benches**  **Damage to War Memorial**  **Damage to Wilkinson Monument** | **Sum Insured increased annually.**  **Insured for £60000**  **Insured**  **Insured - no need to specify articles wef 1.6.16**  **Insured**  **–Replaced in Spring 2018 by funding from transparency fund.**  **Insured**  **Not insured - Maintained from Repair’s Budget – Claim for vandalism is un-economical due to Policy Excess**  **Not currently stated on policy.**  **Not currently stated on policy.**  **Maintenance from Parish budget, Annual Provision of £500 for Wilkinson Monument made from budget each year. Tenders for re-painting Spring 2018 – 10 years since last work done, but no tenders received so unable to proceed at this time. Ongoing -monitor condition of monument.** |
| 3 | **Damage to Play and skateboard equipment** | **Repair costs to be met from revenue repairs budget insurance claim as appropriate.**  **Policy amended from 2016 – No longer necessary to specify individual items.** |
| 4 | **Injury to members and officers on council business** | **Personal accident insurance.** |
| 5 | **Legal expenses in settling claims** | **Legal expenses insurance** |
| 6 | **Damage/deterioration to notice boards, street lights and benches and village map notice board.** | **Repair costs to be met from revenue repairs budget**  **or insurance claim as appropriate for customised village map notice.** |
| 7 | **Damage to railings/walls** | **Repair costs to be met from revenue repairs budget or insurance claim as appropriate** |
| 8 | **Damage to bus shelters** | **Repair costs to be met from revenue repairs budget.** |
| 9 | **Damage to toilet block and fittings** | **Repair costs to be met from revenue repairs budget/donation of labour from local tradesmen or insurance claim as appropriate.**  **Annual provision to be made from budget to build up reserves. Designated holding account opened May 2012.**  **Support from Community Bonus Ball Scheme and budget surplus from Toilet costs allocated to holding account annually.** |
| 10 | **Damage to War Memorial or Wilkinson Monument** | **Repair costs to be met from revenue repairs budget insurance claim as appropriate.**  **Annual provision to continue to be made from budget to build up reserves for Wilkinson Monument. Designated holding account opened May 2012.**  **Tender/Specification for Repainting drafted – placed in Westmorland Gazette Jan 18 –**  **Tenders for re-painting Spring 2018 – 10 years since last work done, but no tenders received so unable to proceed at this time. Ongoing -monitor condition of monument.**  **Paint details ICI Metal Shield Satin Black** |
| 11 | **Maintenance of all Parish Council owned or leased “Open Spaces”** | **Weekly inspections of all open spaces by Parish Councillors.**  **Annual renewal of contract for grass cutting with local contractors South Lakes Services providing service level remains good and price competitive and good value.**  **Ongoing maintenance plan for trees, bushes and hedges on open spaces in respect of potential liability and maintenance.** |
| 12 | **Maintenance of Street lights** | **All street lights maintained and serviced by CCC Contractor annually- considered low risk for impact due to locations and would be claimed from drivers insurance.** |
| 13 | **Emergency cover for clerk if ill** | **Costs to be met from reserves if cover can be secured from Neighbouring Parish. Insurance Cover not viable, considered Low Risk** |
|  | **All Property** | ***Review and amend sums insured as appropriate at Annual Review in Spring. Removed Wilkinson Monument Laptop and Village map from cover to reduce premium as considered low risk items in 2013*** |

# Lindale and Newton in Cartmel Parish Council

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**Risk Assessment updated 05/12/2019 Debra Cowperthwaite Clerk L&NICPC**

Approved by Council at Meeting held on 10th December 2019

………………………………………………………………………….. Chair/Clerk

Debra

**THE IMPORTANCE OF INSURANCE**

**1. Parish Councils must have the following insurances:**

* **Employers' Liability Insurance**: A local council as an employer must have insurance against liability for bodily injury sustained by its employees arising out of their employment. (Penalty for not doing so is £2,500)
* **Fidelity Guarantee Insurance**: section 114 of LGA 1972 re: insurance against the clerk or other employee running off with the money!
* **Motor vehicles insurance** (if applicable)

**2. Other types of insurance that are not compulsory but which councils should have are:**

* **Public liability and third party insurance**: protects the rate and council tax payers against claims for accidents caused to members of the public as a result of the council’s activities. (now usually £5 million cover)
* **Buildings and contents: insurance** against loss of or damage to the structure and contents
* **Street furniture insurance**: insure litter bins for cost of replacement etc
* **Accident insurance**: for members, staff and voluntary assistants.

**3. Main Local Council Insurers**: Cornhill Insurance and Zurich Municipal and Aon

**4. Remember** to notify your insurer of any changes in circumstances that might affect the insurance policy