

## **LINDSEY PARISH COUNCIL - Risk Management Strategy 2022 – 2023**

*Presented by: Mrs. Victoria Waples, Clerk/RFO to the Council, at the meeting of: 8<sup>th</sup> March 2023*

### **Policy Statement**

Risk management is the process that is used by the Parish Council to address the risks associated with an event or action which will adversely affect its ability to achieve its objectives to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets and eventually, on the local community's council tax bills. The Council is aware that some risks can never be eliminated fully, and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk.

### **Implementing the Strategy**

Risk control is the process of taking action to minimise the likelihood of the risk occurring and/or reducing the severity of the consequence should it occur.

Methods used will include:

Elimination – circumstances from which a risk arises are removed so the risk no longer exists

- Reduction – control measures are implemented to reduce the impact/likelihood of the risk
- Transfer – the financial impact is passed to others
- Sharing – the risk is shared with another party
- Insuring – insure against some or all of the risk to mitigate financial impact
- Acceptance – documenting a conscious decision after assessment of areas where Council accepts or tolerates the risk

The risk management process must be monitored and reviewed on a regular basis to ensure that any changes to the nature of any risk has been taken into account and the risk control procedures adapted accordingly. As a minimum, risks will be identified in the Annual Risk Assessment carried out in February / March of each year.

### **Narrative of the assessment of risks that could affect the finances or the smooth running of Lindsey Parish Council**

This brief assessment considers the implications of accidents and wanton damage to Council property and, where such events may affect the finances or the smooth running of the Council what action should be taken to counter the risk.

The assessment looks at three areas:

1. Damage resulting in loss of income to the Council
2. Accidents resulting in a claim against the Council
3. Loss of or damage to Council assets

## **1. Loss of Income**

### **INCOME GENERAL**

The Council does not receive any income from the hiring out of any of its assets. The major source of income comes from the precept set annually by the Council and refund of VAT.

1. Precept – adequacy of precept – to determine the precept amount required, the Parish Council receives update financial information, and the precept is an agenda item at full Council. At both the November and January meetings, Council receives a budget update report, including actual position and projected position to end the year and indicative figures or costings obtained by the Clerk. With this information the Council is able to determine the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be requested from Babergh District Council. This figure is submitted by the Clerk on an approved form by the due date. The Clerk informs the Council once the monies have been received.

2. Income received from refund of VAT – VAT is reclaimed once a year prior to year-end. Once the monies have been received in the Council's bank account the Council is notified accordingly. The Clerk reconciles the bank accounts on a bi-monthly basis and Council is notified of the sums received at the next full Parish Council meeting.
3. Income received from other sources – all income received is banked in accordance with Council's Financial Regulations and/or grants conditions imposed.
4. Income received from CIL – all income received by way of CIL from the District is entered into the cashbook and accounted for in accordance with the CIL Regulations. Council is made aware of the parameters under which CIL monies may be spent and the relevant timescales for such expenditure. An annual CIL return form is completed by the Clerk, approved by Council and submitted to the District in accordance with the regulatory timescales.

## **FINANCIAL CONTROL**

The Parish Council have set up internal controls by way of a financial report being submitted to the Council at its bi-monthly meetings on income received to date, agreed expenditure to be incurred and an analysis of expenditure versus budgetary processes with an annual internal audit conducted by an Independent Internal Auditor for the Parish Council. As the Parish Council does not have expenditure or income that exceeds £25,000 and it fulfils the qualifying criteria it will be able to certify itself as exempt from a limited assurance review by the External Auditors PKF Littlejohn as appointed by the SAAA Ltd.

## **BUSINESS INTERRUPTION**

The level of cover for the loss of computerised records which includes loss resulting from interruption of or interference with the business carried on by the Clerk at the Clerk's premises is part of the core cover as provided by the Council's insurers.

### **Action**

Council considers that the sum of £5,000 to reconstitute the computer records is sufficient cover.

## **FIDELITY GUARANTEE**

The level of guarantee cover obtained by the council has historically been set at £25,000 with no increased limit.

### **Action**

The Council has previously considered that the level of fidelity guarantee cover is sufficient in the light of the bank balances anticipated to be held in March 2023 and the amount of precept to be received in April 2023.

## **2. Possible Claims against the Council**

### **PUBLIC LIABILITY**

The Council is at risk of being asked to pay compensation to members of the public for injury, illness, or loss of or damage to material property arising in connection with the Council's activities.

### **Action**

The Council has taken out Public Liability Insurance with Royal and Sun Alliance Insurance PLC on a Local Council Parish Protect Policy Schedule for cover up to £10Million for any one occurrence.

### **EMPLOYER'S LIABILITY**

The Council is at risk of being asked to pay compensation to an employee or a volunteer worker for injury or illness arising out of, and in the course of, their employment by the Council.

### **Action**

The Council has taken out Employer's Liability Insurance with Royal and Sun Alliance Insurance PLC on a Local Council Parish Protect Policy Schedule for cover up to £10Million for any one occurrence and Personal Accident for Employees, Volunteers and Committee Members limited to £500,000 for any one person and £2Million for any one incident.

### **3. Loss of, or Damage to, Council Assets**

The Council's assets, together with their replacement value, are listed separately in the Council's Asset Register.

#### **LAPTOP**

The risk of damage to the Council named assets, Lenovo Laptop comes from theft or accidental damage.

#### **Action**

The Council has cover for the laptop whilst at the Clerk's home under Core Office Contents within the sum of £2,500, less the first £100 of any claim, with Royal and Sun Alliance Insurance PLC on a Local Council Parish Protect Policy Schedule against damage by either of the above possibilities.

When the laptop is taken away from the Clerk's home to meetings etc, the Council has taken out an additional premium to ensure cover is provided for either theft or accidental damage.

#### **VILLAGE SIGN**

The risk of damage to the Village Sign comes from serious vandalism or from vehicular impact. As it is located within a very quiet village, it is felt that the chances of vehicle accident with the sign is very low. If it were hit by a lawful driver, a claim could be made on the driver's insurance. Minor vandalism of the sign is unlikely to occur given its high prominence in the village.

#### **Action**

The Council has insured the sign for its full replacement cost, less the first £100 of any claim, with Royal and Sun Alliance Insurance PLC on a Local Council Parish Protect Policy Schedule against damage by either of the above possibilities. The Council considers that the chances of a serious hit by an illegal driver is so remote as to not need consideration and that any vandal damage is likely to be minor, costing less than the insurance excess to put right.

#### **NOTICE-BOARDS OUTSIDE THE VILLAGE HALL**

There are two noticeboards within the village: both on the verge outside the Village Hall. The risk of damage to the noticeboards comes from minor vandalism and general wear and tear. The noticeboards in the Parish Council ownership are checked regularly for deterioration and any such vandalism.

#### **Action**

Both noticeboards are covered by the Parish Council's Insurance at full replacement value for serious vandalism and/or theft, less the first £100 of any claim. The Council consider that any vandal damage is likely to be minor costing less than the insurance to put right.

#### **BRAZIER BEACON**

There is one brazier beacon located on third party land in front of The Rose in Lindsey. Agreement has been reached with the owners of The Rose that the beacon can be used for village events. The risk of damage to the brazier is to be mitigated by a number of controls which will include the brazier being erected on top of a tall metal post that has been specifically built for the purpose and is subject to an annual check of both pole and base to ensure safe and sound; material to be sourced to manage fire risk should sparks spill over the brazier onto surrounding ground/vegetation; safety measures in place when erecting or dismantling the brazier; safety measures in place when building the beacon and measures in place to extinguish fire after the event. The beacon brazier will be checked regularly for deterioration, general wear and tear and vandalism.

#### **Action**

The Council has taken out Public Liability Insurance with Royal and Sun Alliance Insurance PLC on a Local Council Parish Protect Policy Schedule for cover up to £10Million for any one occurrence. The Council's Insurance Company has confirmed that as long as the beacon is adequately maintained and will be supervised and managed by the Parish Council or its volunteers when it is on a third parties land, the Council would be covered for Public Liability and the beacon would be covered against damage/theft.

Events organised by other bodies using the brazier will need to have their own Public Liability Cover and Risk Assessments must be carried out. Copies of appropriate insurance and such risk assessments must be supplied to the Parish Council and will be kept in accordance with periods covered by legislation.

When the Parish Council organises an event, it will carry out a Risk Assessment which will identify the risks together with the assessment of likelihood and severity with appropriate actions to be taken to eliminate or reduce the risk to an acceptable level. This will allow the Council to satisfy itself as to whether there is a requirement to take out additional Public Liability Cover.

### **VILLAGE TRIANGLES / GREENS**

The Council is at risk of being asked to pay compensation to members of the public for injury, illness, or loss of or damage to material property arising in connection with the Council's activities. These areas are covered under the Parish Council's Public Liability Cover.

#### **Action**

The Council has taken out Public Liability Insurance with Royal and Sun Alliance Insurance PLC on a Local Council Parish Protect Policy Schedule for cover up to £10Million for any one occurrence.

Events organised by other bodies have to have their own Public Liability Cover and Risk Assessments must be carried out.

### **LINDSEY VILLAGE HALL - CHARITY NO. 304912**

It is noted that the Parish Council is a Custodian Trustee for the above charity. As a custodian trustee the Parish Council has the custody, as distinct from the management of, trust property. The administration of the Charity is left in the hands of the charity trustees. A custodian trustee is not a charity trustee.

As per guidance from the Practitioners Guide, community assets are assets which due to their nature or legal status do not have a market value as they cannot be sold. Such assets should be included on an asset register as their historic cost value or given a £1 nominal value (2010 guidance). This asset has therefore been given a value and included on the asset register to ensure that the body's ownership and responsibility are recognised and not lost or forgotten.

**Proposal: at the meeting of 8<sup>th</sup> March 2023, Council, having reviewed the narrative document on the risks faced by the parish council as part of its risk management process, acknowledges that it has taken appropriate steps to manage the risk and where able it has brought in an insurance service from an external body to transfer the identified risk.**