

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

30 SEPTEMBER 2008

REPORT OF THE DIRECTOR OF FINANCE

CORPORATE RISK AND INSURANCE MANAGEMENT

1. EXECUTIVE SUMMARY

- 1.1 This report provides information to Members on recent progress made against the objectives for these services and the anticipated developments in the coming months.

2. INSURANCE MANAGEMENT PROGRESS

- 2.1 Detailed liability claim statistics up to the end of June 2008 have been compiled and the account continues to perform well. Repudiation rates remain at a high level and the volume of new claims reported has remained at a historically low level.
- 2.2 Of the three liability cases listed for trial between the start of June and the end of August 2008 one was won, another was lost and the third was conceded prior to trial. One case scheduled for trial later in the year was discontinued.
- 2.3 As reported to Cabinet on 22 May 2008 the Property Insurance contract was awarded to Zurich Municipal under a 5 year Long Term Agreement. This showed that savings have been achieved. Cabinet also agreed to increase the scope of the existing cover.
- 2.4 The result of the annual actuarial investigation was provided by Aon Limited and reported to Cabinet on 9 July 2008 as part of the Insurance Fund Annual Report. This confirmed that the sustained improvements in the ability to defend claims and the low level of new claims effectively contributed to a surplus in the Insurance Fund which has enabled £3 million to be released back to the General Fund in 2008/09.
- 2.5 A competitive tender was also held for the provision of Personal Accident and Business Travel insurance to the Authority with the lowest tender from Aon Protect for £6,001 being accepted on the basis of a 5 year Long Term Agreement commencing 30 June 2008.
- 2.6 Work has begun on developing the specification and award criteria for a tender for the Motor and Engineering Insurance contracts which expire on 31 March 2009.

- 2.7 A planned quality audit of the Zurich Municipal claims handling was postponed because problems arising from the introduction of a new computer system could have unfairly prejudiced the findings of any investigation undertaken at present. The audit will be carried out later in the year.
- 2.8 Council officers have held several meetings with the insurers' loss adjusters in connection with the fire at Rock Ferry High School on 16 September 2003. Confirmation is awaited as to whether the insurers are satisfied with the proposals.

3. CORPORATE RISK MANAGEMENT - PROGRESS

- 3.1 An entry was submitted to the ALARM (Association of Local Authority Risk Managers) 2008 Awards in respect of the Department of Adult Social Services' Load Management Training programme. The submission was highly commended in the awards ceremony on 30 June 2008.
- 3.2 The Risk & Insurance Officer attended the 2008 ALARM Conference in Birmingham on 30 June / 1 July 2008. Seminars and workshops covered partnership risks, Comprehensive Performance Assessment, benchmarking risk management and integrating risk management into business planning. Ideas from the sessions will inform reviews of the corporate risk management arrangements.
- 3.3 The Risk Management Strategy was reviewed and reported to Cabinet on 23 July 2008 and is included elsewhere on this agenda. Constructive comments were received from Members which will be considered for incorporation into future versions of the Strategy. Managers have been alerted to the revised document through a news item on the Wirral Intranet.
- 3.4 Cabinet on 3 April agreed the timing and content of the Financial and Performance Management reports for 2008/09 which included the regular monitoring of the Corporate Risk Register. The first quarterly review and update was incorporated into the Financial and Performance Monitoring Report to Cabinet on 4 September 2008 and which is also included elsewhere on this agenda.
- 3.5 A further risk management training session for Members was held on 24 July 2008. This was attended by eight Members.
- 3.6 A Merseyside Public Sector Risk Managers group has been formed and held an initial meeting on 11 July 2008 to discuss the implications of the Comprehensive Area Assessment (CAA) and how the organisations might assist each other. The Risk & Insurance Officer has been working with the Corporate Services Policy and Performance Division over planning for the introduction of CAA in April 2009.

4. INSURANCE MANAGEMENT – ISSUES FOR NEXT PERIOD

- 4.1 Liability claims statistics to September 2008 will be compiled.

- 4.2 There are currently five claims scheduled for initial court hearings between the start of September and the end of November 2008.
- 4.3 The 2009/10 Insurance Fund budget will be compiled and reported to Cabinet in November 2008.
- 4.4 Work will continue on the procurement exercise for Motor and Engineering Insurance contracts including advertisement of the contract.
- 4.5 Negotiations will be held with Aon Limited for renewal of the Marine Insurance policy.

5. RISK MANAGEMENT – ISSUES FOR NEXT PERIOD

- 5.1 The annual review of the Corporate Risk Register will be carried out taking account of the update of the Corporate Plan - the 2009/10 Priorities for Improvement.
- 5.2 The next quarterly review of the Corporate Risk Register will be undertaken and will inform the Risk Monitoring section of the Financial and Performance Monitoring report to be presented to Cabinet in November 2008.
- 5.3 The Risk & Insurance Officer will continue to work with the Corporate Services Policy and Performance Division on preparation for the introduction of the Comprehensive Area Assessment.
- 5.4 Work on the sustainability appraisal of the current Local Area Agreement Priorities for Improvement will continue and should be concluded.

6. FINANCIAL IMPLICATIONS

- 6.1 There are none arising directly from this report.

7. STAFFING IMPLICATIONS

- 7.1 There are none arising directly from this report.

8. EQUAL OPPORTUNITIES IMPLICATIONS

- 8.1 There are none arising directly from this report.

9. ENVIRONMENTAL IMPACT STATEMENT

- 9.1 There are none arising directly from this report.

10. LOCAL MEMBER SUPPORT IMPLICATIONS

- 10.1 There are none arising directly from this report.

11. **BACKGROUND PAPERS**

11.1 Agendas and minutes of meetings with Aon Limited and data from the Figtree claims database.

11.2 Liability claim statistics.

12. **PLANNING IMPLICATIONS**

12.1 There are none arising directly from this report.

13. **RECOMMENDATIONS**

13.1 That the report be noted.

13.2. That a further report be presented to the next meeting.

IAN COLEMAN
DIRECTOR OF FINANCE

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