

CORPORATE RISK AND INSURANCE MANAGEMENT

1. EXECUTIVE SUMMARY

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

2. INSURANCE MANAGEMENT – PROGRESS MADE

- 2.1 Final terms of reference with the insurers have been agreed for the highways liability and computer services consultant reports previously detailed. These projects will be completed during March 2007 and recommendations will be available for the following reporting cycle.
- 2.2 Since the previous report six liability cases have proceeded to a final court hearing. Of these five resulted in a successful outcome for the Council and legal costs will be recovered from the claimants. The case lost related to a disputed small claims matter having little financial impact although attracting some adverse publicity. Many other cases have been negotiated or declined without the necessity of a full liability hearing.
- 2.3 Liability statistics up to the end of 2006 have now been compiled and show that the positive previously identified trends in terms of frequency and cost are continuing. These confirm the sustainability of the recent reductions in the liability budgets that have been incorporated in the Council budget.
- 2.4 Risk management works at leisure and sports centres have commenced with initial works to the frontage and car park at West Kirby Concourse now complete. Costs for the previously reported works to the unadopted frontage of Bebington Oval have been agreed with the work to be undertaken during the school summer holiday to avoid unnecessary disruption to the three adjacent schools. Further smaller scale works have also now been programmed for 2007/08.
- 2.5 Work has continued in conjunction with Technical Services to address the issues raised in relation to footpaths by recent changes in case law. Discussions have also commenced with Wirral Partnership Homes as to how the areas of mutual interest within housing estates will be addressed.

- 2.6 Renewal terms have been received from the insurers for the liability, motor, engineering and claims handling contracts due to expire on 31 March 2007. The terms reflect the improving liability position and discussions continue as to the benefits of exercising the optional 2 year extension to the existing long term agreement due to expire on 31 March 2008.
- 2.7 The scheduled performance review of the current claims handlers took place during January 2007. A detailed on-site audit undertaken at the suppliers premises proved satisfactory but did indicate specific areas for improvement. These have been addressed with Zurich Municipal and the next expected audit in August 2007 will assess progress.
- 2.8 Negotiations continue with legal suppliers for the introduction of an arrangement for the handling of new complex 'long tail' employers liability claims for which no formal agreements currently exist.
- 2.9 Discussions have continued with the Director of Technical Services relating to the failure of the arboriculture contractor. The insurers have provided specialist advice as this has the potential to impact negatively on the liability fund over the next few years.
- 2.10 Training has been provided for relevant complex managers in the use of a web-enabled distribution system for insurance inspection reports on boilers and lifting equipment. The use of this system, provided by the insurers, will make the administration and execution of this contract more efficient.
- 2.11 I have previously advised that the annual actuarial review will now take place at the end of the financial year. Marsh UK has been appointed to undertake the 2007 actuarial review.

3. CORPORATE RISK MANAGEMENT - PROGRESS MADE

- 3.1 The first training session for Members was held on 17 January 2007 and produced positive feedback. A further session is planned for 5 July 2007.
- 3.2 The Partnership Risk Toolkit was shared with the Risk Management Forum and comments upon a version tailored for Wirral were received from departments. A definitive document was produced and has been made available for use.
- 3.3 The guidance for officers on managing the risks associated with change projects has been drafted in consultation with the Head of Transformational Change and the Risk Management Forum.

3.4 The review of the Risk Management Strategy has been concluded with the final area for review having been the outputs and the expected benefits.

3.5 Since the last report the Corporate Risk Management Forum has approved funding of £9,450 to support a corporate wide programme of Fire Warden Training and £5,000 to support an education programme to reduce school burglaries.

4. INSURANCE MANAGEMENT – ISSUES FOR NEXT PERIOD

4.1 The recommendations from the highways and computer consultant reports will be reviewed and appropriate implementation plans agreed.

4.2 The electronic distribution system for insurance inspection reports on boilers and lifting equipment will be activated. In the interim paper reports will continue to be provided until the Council is satisfied that the new system is working effectively.

4.3 Compilation of the detailed year-end liability statistics will be undertaken during April 2007. This data will be provided to Marsh UK, the appointed actuaries, to prepare the report referred to in section 2.11. The Marsh findings will be reported to the next meeting of this Committee.

4.4 A full on site audit of the claims handling performance of Capita Insurance Services will be undertaken in line with our supplier performance-monitoring framework.

4.5 As part of the process for completing the annual Statement of Accounts the insurance allocations will be prepared and distributed.

5. RISK MANAGEMENT – ISSUES FOR NEXT PERIOD

5.1 The revised corporate risk management strategy will be presented to Chief Officers for consideration and comment. Following this it will be presented to the Cabinet.

5.2 The Partnership Risk toolkit will be placed on the Wirral intranet and presented to each department.

5.3 The guidance document on managing the risks associated with change projects will be finalised and made available through the Wirral intranet.