

**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**

- 2.1 Following the highly publicised prosecutions of Barrow Borough Council cover for legionella is now only available on a 'buy back' basis at an additional premium. I have arranged to extend the liability policy at an annual cost of £2,625.
- 2.2 Detailed liability claim statistics up to the end of quarter 2 for 2007/08 have been compiled and the account continues to perform in line with expectations. High levels of pre-litigation repudiation are being maintained and new claims volumes reported continue at historically low levels.
- 2.3 Between 1 August 2007 and 24 October 2007 ten cases have been listed with the court for liability hearings. Of these three claims have been discontinued with legal costs recoverable from the claimants, two cases have reached a negotiated settlement and one won at trial. In two cases the court found against the Council and the Council is responsible for 50% of the costs in one case whilst I am considering the merits of an appeal in the other. In two further cases judgement has been deferred for delivery at a later date.
- 2.4 No formal supplier quality reviews have been scheduled during this reporting period. The regular ad hoc service monitoring of claims handlers, solicitors and chambers has continued and has not indicated any significant areas of concern.
- 2.5 In preparation for the June 2008 insurance tenders risk surveys have been undertaken on a number of key properties and discussions have been held with the curator of the Williamson Art Gallery and Museum with a view to obtaining revised valuations for the collection.
- 2.6 The Marine policy was renewed on 30 September 2007 at existing premium rates. However due to a reduction in the values to be insured the premium payable for 2007/08 has fallen by 10% to £9,700.
- 2.7 The Insurance Fund budget for 2008/09 was completed within timetable and should be reported to Cabinet on 14 November 2007.
- 2.8 Outline settlement proposals for the Rock Ferry High School fire have finally been received from loss adjusters. These are being considered and challenged with a view to obtaining the maximum settlement from insurers.

2.9 Following the approval of Cabinet and Employment & Appointments Committee the recruitment process is underway for the new post within the Risk & Insurance team.

### **3. CORPORATE RISK MANAGEMENT - PROGRESS**

3.1 Improvements to the Performance Information Management System (PIMS) required as a result of the revised Risk Management Strategy are being tested prior to introduction to the live system.

3.2 A partnership risk management training presentation has been devised.

3.3 The review of the list of corporate risks has been rescheduled in order to ensure that risks from the 2008/09 service planning can be taken into account. Departments are currently identifying their key risks for 2008/09 and beyond in line with the revised Risk Management Strategy and service planning process.

3.4 Work is underway with Corporate Services Department to examine improvements needed to support the new Risk Management Strategy. These included Member involvement in identifying the corporate risks, better identification and reporting of risk in the corporate planning and monitoring framework, better linkages between risk and financial management and the transition from the Comprehensive Performance Assessment to the Comprehensive Area Assessment. Any changes will be reported to Members.

### **4. INSURANCE MANAGEMENT – ISSUES FOR NEXT PERIOD**

4.1 Compilation of the quarterly statistics for quarter 3 in 2007/08.

4.2 A decision will be taken as to which firm of actuaries will be appointed to provide the 2008 funding study.

4.3 Further negotiations will take place with loss adjusters with a view to agreeing a settlement figure for the 2003 Rock Ferry High School fire.

4.4. Subject to progress on the forthcoming tender, conduct on-site quality review audit of both outsourced claims handling contractors.

4.5. Eight County Court liability hearings are currently scheduled to proceed within this reporting period. One High Court matter is scheduled for late December and other dates are awaited.

4.6. In respect of the insurance tenders, the contracts will be advertised in OJEU. Officers will begin working with the risk and insurance consultants on the detail of the specification and award criteria. Further work will be done on the production of a presentation to potential underwriters.

**5. RISK MANAGEMENT – ISSUES FOR NEXT PERIOD**

- 5.1 The Corporate Improvement Group will produce the revised corporate risks using information on key departmental risks and will begin to analyse these.
- 5.2 A partnership risk management training session is scheduled to be delivered to those involved with the four Local Area Agreement blocks on 5 December 2007.
- 5.3 The Transformational Change and Risk & Insurance teams will jointly host a risk workshop for the Department of Children and Young People to identify critical risks to a change project.
- 5.4 It is hoped to agree a date for the further risk management training session for elected Members.