

# WIRRAL COUNCIL

## AUDIT & RISK MANAGEMENT COMMITTEE

31 JANUARY 2013

<b>SUBJECT</b>	<b>CORPORATE RISK AND INSURANCE MANAGEMENT</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>INTERIM DIRECTOR OF FINANCE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

1.1 This report sets out the key actions in relation to corporate risk and insurance management during 2013/14. It highlights those areas where Members will be involved and any key decisions which will need to be taken. Significant actions completed since the last report can be found in the appendix.

### 2.0 BACKGROUND AND KEY ISSUES

2.1 Risk and insurance management comprises two significant areas of activity. One is the provision of advice and support to Members and officers in developing the corporate risk management framework and processes. The other is risk financing which incorporates insurance procurement, management of the Council's internal Insurance Fund and claims management.

2.2 In addition to day-to-day operations the service is responsible for major procurement exercises and improvement activities. This report focuses on the latter.

2.3 The table below summarises key actions planned between now and the end of 2013/14. It highlights those areas in which Members will have an involvement and what form that will take. Future reports will focus on these issues.

<b>Category</b>	<b>Action</b>	<b>Date</b>	<b>Member Involvement?</b>	<b>Comments</b>
Risk financing	Peer review of insurance arrangements for Sefton Council	March	No	Members will be advised when project is complete.
Risk financing	Annual renewal of Casualty, Motor, Computer, Engineering and Foster Care policies	March 2013	No	Outcome of renewal negotiations will be reported to Members.
Risk financing	Procurement of Property, All Risks, Money, Fidelity Guarantee and Personal Accident / Business Travel policies	May 2013	Yes	Members to consider officer recommendations and options for reducing external premiums.

Risk financing	Report on funding requirements	June 2013	Yes	Conclusions of the external actuary will be reported to Members as part of the Insurance Fund Annual Report (below).
Risk financing	Insurance Fund Annual Report	June 2013	Yes	Members to consider recommendations on provisions and reserves.
Risk financing	Academy schools insurance procurement	August 2013	No	Outcome will be reported to Members.
Risk financing	Insurance Fund Budget 2014/15	Nov 2013	Yes	Members to agree Insurance Fund Budget and apportionment between schools and the General Fund.
Risk financing	Procurement of Motor and Engineering insurance and inspection contracts	Jan 2014	Yes	Members to consider officer recommendations and options for reducing external premiums.
Risk management	Determine risk appetite and the future objectives for risk management	May 2013	Yes	Member engagement session to be arranged.
Risk management	Roll out risk information element of Concerto (P2) across departments	May 2013	No	Progress will be reported to Members.
Risk management	Risk management training session	Sept 2013	Yes	Members will be invited to the session planned for 2 September.
Risk management	Review risk management framework and processes	Dec 2013 *	Yes	In relation to the framework for governing risk management and risk reporting structures.
Risk management	Draft new corporate risk management policy and strategy	Dec 2013 *	Yes	Proposed strategy and policy will be presented to Members' for consideration.
Risk management	Identify the core competencies for Members and officers	Dec 2013 *	Yes	Consultation through Member Training Group.

\* Assumes project start date of April 2013

### **3.0 RELEVANT RISKS**

3.1 No decisions are required in relation to this report. As such there are no risks or opportunities to report.

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 These are not applicable in respect of this monitoring report.

### **5.0 CONSULTATION**

5.1 No specific consultation has been undertaken with regard to this report.

### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

6.1 None.

### **7.0 RESOURCE IMPLICATIONS**

7.1 The Academy schools initiative undertaken by the Risk & Insurance Team is continuing to generate income which offsets insurance administration costs.

7.2 The Risk and Insurance team has sufficient capacity to deal with its current responsibilities. However there is uncertainty as to whether the additional work required as a result of the planned improvements to risk management arrangements could be delivered within existing staff resources.

### **8.0 LEGAL IMPLICATIONS**

8.1 There are none arising directly from this report.

### **9.0 EQUALITIES IMPLICATIONS**

9.1 There are none arising directly from this report.

### **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are none arising directly from this report.

### **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are none arising directly from this report.

### **12.0 RECOMMENDATION**

12.1 That the Corporate Risk and Insurance Management report be noted.

### **13.0 REASON FOR RECOMMENDATION**

13.1 Regular update reports are presented to this Committee on the work around Risk and Insurance which seek to support the Risk Management Strategy and maintain the successful management of the Insurance Fund.

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**REFERENCE MATERIAL / SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Audit & Risk Management – Corporate Risk & Insurance Management	29 November 2011
Audit & Risk Management – Corporate Risk & Insurance Management	1 February 2012
Audit & Risk Management – Corporate Risk & Insurance Management	13 March 2012
Audit & Risk Management – Corporate Risk & Insurance Management	14 June 2012
Audit & Risk Management – Corporate Risk & Insurance Management	19 September 2012
Audit & Risk Management – Corporate Risk & Insurance Management	26 November 2012

## **Appendix**

### **Principal Actions Completed – November 2012 to January 2013**

#### **Insurance Management**

- Individual charges for risk and insurance services in 2013/14 were produced for all schools which buy back cover as a traded service.
- A suite of information was produced for the Council's insurance brokers to support the production of a tender document for the Property and Personal Accident / Business Travel policies.
- A settlement was agreed with the claimant in what was potentially the most costly liability claim ever brought against the Council. The settlement was significantly below expectations and will place the authority in a more favourable position when the Casualty policy is tendered in 2015.
- A Peer Review for Sefton Council began. This is aimed at assisting Sefton with improving its corporate arrangements for insurance procurement and management

#### **Risk Management**

- Outstanding areas of functionality in relation to how risk information is captured and reported across the organisation have been addressed by Concerto.
- A register of programme level risks affecting the Council's savings projects has been produced.
- Preparations have been made for incorporating consideration of risk and uncertainty into Member engagement sessions to take place in February.