

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

25 NOVEMBER 2013

SUBJECT	MANAGEMENT OF INSURANCE AND CORPORATE RISK
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF RESOURCES
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 This report confirms progress made since September in relation to the key actions in corporate risk and insurance management planned for 2013/14 and reported to this Committee on 31 January 2013.

2.0 BACKGROUND

2.1 Risk and insurance management comprises two significant areas of activity:

- The provision of advice and support to Members and officers in developing the corporate risk management framework and processes.
- Risk financing which incorporates insurance procurement, management of the Council's Insurance Fund and claims management.

3.0 KEY ISSUES

3.1 In addition to day-to-day operations the insurance service is responsible for major procurement exercises and improvement activities. This report focuses on the latter. The key actions to be implemented up to the end of 2013/14 were included in the report to Committee on 31 January 2013. Progress since September in respect of those actions is summarised in the paragraphs below:

3.1.1 Management of the Insurance Fund

The Insurance Fund Budget for 2014/15 has been drafted and is the subject of discussions in respect of the schools premiums. Once concluded the Budget will be reported to the next meeting of this Committee.

3.1.2 Report on Liability funding requirements

The report of the external actuary is expected by the end of November. This will support a review of Insurance Fund reserves and provisions and the key points will be reported to a future meeting of this Committee.

3.1.3 Academy Schools insurance procurement

Existing Academy schools have now been provided with their policy documentation. Following the procurement exercise insurers have requested that each school completes a number of additional questionnaires and are being supported by the Risk & Insurance Team. Services for Academy schools are expected to generate income of £40,000 in the current financial year.

3.1.4 Procurement of Motor and Engineering insurance and inspection contracts

A planning meeting has been held with the Council's insurance brokers and a draft timetable for the procurement exercise has been agreed.

3.1.5 Determine risk appetite and the future objectives for risk management

The priorities of the Chief Executive Strategy Group have informed the objectives contained in the draft Risk Management Policy (see below). A mechanism for developing the Council's risk appetite is currently being considered by the Group.

3.1.6 Review of the Corporate Risk Management Framework and processes

The review of how risk management will be practised in the organisation continues. Proposals for revised reporting processes and roles and responsibilities were included in the draft Risk Management Policy document presented to the Chief Executive Strategy Group on 22 October (see below).

3.1.7 Draft new corporate Risk Management Policy and Strategy

A draft revised corporate Risk Management Policy and Strategy document was considered by the Chief Executive Strategy Group on 22 October. Further amendments will be made prior to its presentation to this Committee and to Cabinet in January 2014.

3.1.8 Review of Corporate Risk Register

The Chief Executive Strategy Group considered the Corporate Risk Register as part of the quarter two review of risk, audit, governance and performance. In conducting their review the Group took into account the minute from the 23 June 2013 meeting of this Committee that the following risks be considered for inclusion within the Register -

- The risk of IT failure.
- The potential failure in the duty of care to vulnerable people.
- Flood risk.
- Risks associated with COMAH sites in Ellesmere Port.

The Group agreed to add to the Register a number of high impact operational risks including the failure to safeguard vulnerable people and a sustained catastrophic failure in the Council's ICT systems.

The Group considered that flood risk was adequately recognised in the existing Register under the 'incidence of extreme weather events' risk and that the risk associated with COMAH sites is already recognised by and managed through the Council's emergency planning arrangements so it was not necessary to add it to the Corporate Risk Register.

4.0 RELEVANT RISKS

- 4.1 The improvement of the risk management framework and the implementation of more effective processes will help to improve the ability to handle risk across the organisation.

5.0 OTHER OPTIONS CONSIDERED

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

6.0 CONSULTATION

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

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are no implications arising directly from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING AND ASSETS

8.1 The provision of support services to Academy schools is estimated to generate income of approximately £40,000 in 2013/14. This will also help to offset the Council's insurance administration costs which are ultimately recharged to users of the service.

9.0 LEGAL IMPLICATIONS

9.1 There are no implications arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 There are no implications arising directly from this report.

11.0 CARBON REDUCTION IMPLICATIONS

11.1 There are no implications arising directly from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no implications arising directly from this report.

13.0 RECOMMENDATION

13.1 That the content of this report be noted.

14.0 REASON FOR RECOMMENDATION

14.1 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

Council Meeting	Date
Audit & Risk Management Committee	
Corporate Risk & Insurance Management	26 November 2012
Corporate Risk & Insurance Management	31 January 2013
Corporate Risk & Insurance Management	19 March 2013
Management of Insurance & Corporate Risk	10 June 2013
Management of Insurance & Corporate Risk	18 September 2013