

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

18 MARCH 2015

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 sets out the key actions to be taken in relation to corporate risk and insurance management during 2015/16 and highlights any key decisions which will need to be made. Progress made since December 2014 in relation to key actions planned for the current year are also included.

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 Insurance Fund and claims management.

2.2 The table below summarises key actions planned between now and the end of 2015/16. It highlights those areas in which Members will have an involvement and what form that will take. Future reports will focus on these issues.

Category	Action	Date	Member Involvement?	Comments
Risk financing	Annual renewal of Casualty, Computer, Engineering, Motor and Foster Care policies	Apr 2015	No	Outcome will be reported to Members
Risk financing	Procurement of Civil Litigation Defence Services	June 2015	No	Outcome will be reported to Members
Risk financing	Insurance Fund Annual Report	June 2015	Yes	Members to Consider recommendations on provisions and reserves.

Category	Action	Date	Member Involvement?	Comments
Risk financing	Annual renewal of Property, All Risks, Money, Fidelity Guarantee and Personal Accident / Business Travel policies	June 2015	No	Outcome will be reported to Members
Risk financing	Possible extension of Casualty contract	Sep 2015	Yes	Members will decide whether options to extend should be taken up
Risk financing	Insurance Fund Budget 2016/17	Jan 2016	Yes	Members to agree Insurance Fund Budget and apportionment between schools and the General Fund
Risk management	Launch risk management e-Learning modules	Apr 2015	No	Outcome will be reported to Members
Risk management	Agree an approach for determining risk appetite	June 2015	No	Outcome will be reported to Members
Risk management	Conduct pilot of 'Concerto' system for risk information	June 2015	No	Outcome will be reported to Members
Risk management	Agree requirements for reporting risk information to Policy & Performance committees	June 2015	Yes	Policy & Performance committees will receive additional information
Risk management	Exercise to consider the Council's risk appetite	Sep 2015	Yes	Member engagement session to be arranged.
Risk management	2015 risk management benchmarking	Sep 2015	No	Outcome will be reported to Members

Category	Action	Date	Member Involvement?	Comments
Risk management	Deliver risk management training session	Sep 2015	Yes	Members will be invited to the session
Risk management	Refresh corporate Risk Management Policy and action plan	Mar 2016	Yes	Proposed Policy and action plan will be presented to Members for consideration and adoption

2.3 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 during 2014/15 were included in the report to this Committee on 18 March 2014. Progress since December 2014 in respect of those actions is summarised in the paragraphs below.

2.3.1 Tender for Litigation Services

Members have asked for more information about this procurement process. The contract is for the provision of a litigation management service in relation to proceedings issued against the Council between 1 June 2015 and 31 March 2017 in connection with Liability insurance claims. The contract will contain a provision giving the Council the option to extend the contract for two periods each of two years.

The aptitude and technical knowledge of those delivering the service is of vital importance to the Council's ability to defend these proceedings and the ultimate cost of cases. For this reason the balance between price and quality in the evaluation of bids has been set at 50/50.

The Pre-Qualification Questionnaire (PQQ) contained a series of questions linked to the quality factors. The contract was advertised in OJEU on 12 January. There were 24 expressions of interest in the contract.

Invitations to Tender (ITT) were sent earlier this month. The closing date for return of tenders is 15 April 2015. The ITT requires the firms to submit responses to a series of method statement questions linked to the defined quality factors. Key members of the proposed service teams will also be required to attend an interview in which their technical knowledge will be further tested. The responses to both the method statement questions and the interview questions will be taken into account in the evaluation of quality. In terms of price those tendering will be asked to confirm their proposed fixed fees for simple cases and hourly rates for more complex and technically involved matters.

Copies of the PQQ and ITT documents can be made available on request to give additional information in respect of the scope and evaluation criteria for this procurement exercise.

Evaluation will take place between 20 and 30 April. The contract is expected to be awarded by 5 May and the outcome will be reported to the next meeting of this committee.

2.3.2 Review of Corporate Risk Register

The Corporate Risk Register is the subject of a separate report to this meeting.

2.3.3 Service Planning 2015/16

The requirements regarding the risk management element of directorate plans have been communicated to all management teams. The Risk & Insurance Officer has facilitated exercises with all three teams aimed at refreshing risk registers to reflect objectives within directorate plans for 2015/16.

2.3.4 Develop training and guidance for Members and officers

The content of E-learning courses for staff and for managers has been finalised. It is intended to make the courses available from April.

2.3.5 Annual renewals of existing insurance contracts (April 2015)

Information required by the Council's insurers and insurance brokers has been provided. Renewal terms are currently awaited and will be reported to the next meeting of this committee.

2.3.6 Refresh of the Corporate Risk Management Policy

The Corporate Risk Management Policy is the subject of a separate report to this committee.

2.3.7 Insurance Fund Budget 2015/16

In the last meeting of this committee Members asked that further information be provided as to the impact on claims costs of the civil justice reforms enacted in the past two years. The most accurate picture is available at the end of each financial year. Therefore I propose to include commentary on this issue within my Insurance Fund Review which will be brought to the next meeting.

3.0 RELEVANT RISKS

- 3.1 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.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 Not relevant in relation to this monitoring report.

5.0 CONSULTATION

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

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 None.

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 Premiums for those contracts which are renewable in April 2015 are expected to be within the 2015/16 budget.

9.0 LEGAL IMPLICATIONS

9.1 There are no specific 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 AND ENVIRONMENTAL 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 RECOMMENDATIONS

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

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BACKGROUND PAPERS/REFERENCE MATERIAL

Correspondence with insurers and insurance brokers
Report to Strategic Leadership Team (Corporate Risk Register) – 12 February 2015

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	
Corporate Risk & Insurance Management	27 January 2015
Corporate Risk & Insurance Management	25 November 2014
Corporate Risk & Insurance Management	17 September 2014
Corporate Risk & Insurance Management	23 June 2014
Corporate Risk & Insurance Management	18 March 2014