

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

8 JUNE 2015

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| SUBJECT | MANAGEMENT OF INSURANCE AND CORPORATE RISK |
| WARD/S AFFECTED | ALL |
| REPORT OF | ACTING S151 OFFICER |

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. Progress made since March in relation to key actions planned for 2015/16 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 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 2015/16 were included in the report to this Committee on 18 March. Progress to date in respect of those actions is summarised in the paragraphs below.

2.2.1 Annual renewal of Casualty, Computer, Engineering, Motor and Foster Care policies

Premiums for the renewal of all policies were agreed with insurers in advance of their expiry on 1 April. Actual costs are approximately 2% (£10,850) less than those estimated. 'Casualty' is the insurance industry term for Liability insurance.

2.2.2 Possible extension of Casualty contract

Officers have held initial discussions with the Council's insurance brokers in relation to a possible competitive procurement exercise later in the year should the current insurers propose a further increase in premiums for the 2016/17 renewal.

2.2.3 Tender for Litigation Services

Three companies submitted tenders for the above contract. Evaluation took place between 20 and 30 April. As with the previous contract a panel of two firms is to be retained. Weightmans and BLM submitted the most

economically advantageous tenders and have jointly been awarded the contract which began on 1 June. The actual financial impact of the new contract will depend on the volume and nature of litigation brought against the Council.

2.2.4 Annual renewal of Property, Terrorism, Museums All Risks, Money, Fidelity Guarantee and Personal Accident / Business Travel policies

Information needed by insurers to enable them to provide renewal terms for these policies is being collated and will be supplied to them shortly. Premiums are expected to be within the 2015/16 budget. However the actual outcome will be reported to the next meeting of this committee.

2.2.5 Closedown of Insurance Fund accounts

The Insurance Fund accounts for 2014/15 were closed ahead of schedule. The annual out turn is the subject of a separate report to this committee. An operating surplus for 2014/15 of approximately £250,000 and a further £1m from Liability insurance provisions have been released to General Fund balances.

2.2.6 Alarm Award Nomination

The Deputy Risk and Insurance Officer has been nominated, and subsequently shortlisted, for the Professional of the Year award at the 2015 Alarm Risk Awards. This high profile nomination partly reflects the ongoing performance of Wirral's liability claims account but is also in recognition of the leading national role the officer has undertaken in relation to public sector liability issues in recent years. The awards dinner will take place during the Alarm national educational forum at Aston University, Birmingham on the 22nd June.

2.2.7 Launch risk management e-Learning modules

The manager and employee modules are currently subject to refinement and testing by the Organisational Development team. The managers' module forms part of the mandatory Management Development programme.

2.2.8 Agree requirements for reporting risk information to Policy & Performance Committees

Discussions have taken place between the Risk and Insurance Officer and the Head of Strategy Policy and Performance. The intention is to provide two updates to the Directorate risk register for Policy & Performance committees. These would be in addition to the information on key risks provided to Members within the Directorate plan. The content and format of the updates is currently under development.

2.2.9 Corporate risk register

The register is the subject of a separate report to this committee.

2.2.10 Service Planning 2015/16

The risk registers for all 3 strategic directorates have been refreshed to take account of objectives within directorate plans for 2015/16. The Corporate risk register is being updated with projects and activities within directorate plans which it is considered will also assist with the mitigation of corporate risks.

2.2.11 Corporate Risk Management Policy

Following approval of the draft Policy by this committee the Policy was put to Cabinet for formal adoption on 4 June.

2.2.12 Agree an approach for determining risk appetite

A paper setting out alternative methodologies for evaluating and expressing the Council's risk appetite has been prepared for the consideration of the Corporate Governance Group later this month. A recommended approach will put to the Strategic Leadership Team for implementation later in the year.

3.0 RELEVANT RISKS

- 3.1 The continuing 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 June 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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SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|---------------------------------------|-------------------|
| Audit & Risk Management Committee | |
| Corporate Risk & Insurance Management | 18 March 2015 |
| 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 |