WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

8 JUNE 2015

SUBJECT:	**INSURANCE FUND ANNUAL REPORT**
WARD/S AFFECTED:	**ALL**
REPORT OF:	**ACTING S151 OFFICER**

1.0 EXECUTIVE SUMMARY

1.1 This report provides a review of the Risk and Insurance activity during 2014/15 and the plans for 2015/16 and beyond. It details the underwriting arrangements and recent loss histories for the principal areas of insured risk and describes the impact of measures taken to improve their management. The provisions and reserves within the Insurance Fund at the end of 2014/15 are confirmed.

2.0 BACKGROUND AND KEY ISSUES

Approach to Risk Financing

2.1 Since 1988 the Authority has used a combination of self-insurance and external insurance to address the financial consequences of risk.

2.2 Those risks which have the potential to generate substantial losses are self-insured to a high level but with a cap on the Council's liability above which costs are met by insurers. Such risks include legal liability to members of the public and to other organisations for injury or damage to property motor accidents involving Council vehicles and damage to Council buildings.

2.3 Other more minor, expected, losses such as damage to equipment and plate glass are wholly self-insured.

2.4 The self-funding of losses is part of the Council's overall approach to managing risk. It provides a greater incentive to deal with risk more effectively given that any reduction in claims directly benefits the Authority. It also minimises the Council's liability for Insurance Premium Tax (currently levied at 6%) and contributions to insurers' administrative costs and profit margins. The level of self-insurance is influenced by the need to maintain the stability of the Insurance Fund over the long term and by the Council's appetite for risk.

2.5 Claims are met from the Insurance Fund with the Fund being maintained through proportionate annual contributions from all directorates and from schools.

2.6 The Fund also holds reserves which are available to support the implementation of initiatives to improve the management of risks both insured and uninsured.

Principal Areas of Insured Risk - Liability

2.7 The Council currently self-insures liability risks to a maximum aggregate of £3.5m for all claims occurring in any one policy year. The level of aggregate varies from year to year according to market conditions and loss history. It has been as high as £7.25m in 2005/06. In addition the Council's maximum liability for any single insured claim is currently limited to £250,000. Any costs above this are met by the insurer Zurich Municipal. At renewal on 1 April this year the Council took an option to extend the contract for a further 2 years to 31 March 2017.

2.8 Whilst claims are administered by Zurich Municipal the company has no authority to settle claims within the deductible limits. All decisions on tactics, settlement and quantum on claims up to £250,000 are controlled by the risk and insurance function within the Council. This ensures that decisions are made in the best interests of the authority rather than the insurers and that a stable claims strategy can be maintained. As the insurers have no financial interest in claims below the deductible they may have little motivation to secure the most efficient outcomes. On the rare matters that have the potential to exceed £250,000 the Council works in partnership with the insurers to agree mutually acceptable outcomes. Both Zurich Municipal and the solicitors engaged to defend legal proceedings work to defined service level agreements and the Council continuously monitors and manages their performance.

2.9 It is of note that the per-claim self-insured retention on liability has remained stable at £250,000 for over 15 years. In this period the real terms value of this deductible has been eroded by the effect of inflation and officers will consider the relative merits of increasing to a higher level when the liability insurance contracts are next marketed.

2.10 Inflation pressures within the claims environment have been running far ahead of inflation in the wider economy for many years. This was predominantly caused by a relentless uplift in claimant solicitors' fees as damages elements have remained relatively stable. There have been few barriers to cost increases by claimant solicitors since the introduction of the Woolf reforms in 1999. In recent years it has become common for costs settlements to outstrip damages by a factor of up to 10:1 on contested low value claims. Indeed, during the 2014/15 financial year in respect of one particular claim in which the court awarded damages of £1,500 the claimant solicitor subsequently submitted a costs bill for over £80,000. That bill was ultimately settled, following protracted negotiation, for £37,500.

Changes in the Civil Justice Regime

2.11 This gross disproportionality was recognised by both the judiciary and the government and it has now been addressed by the "Jackson" reforms. Members of this committee have been kept appraised of the progress of these reforms given the leading role undertaken by Wirral in the national process over recent years.

2.12 Whilst we have experienced a transition period for the last 18 months, managing cases brought via both the new and old regimes, almost all new claims now received will now be captured by the new process, the key features of which are that;

- Conditional Fee Agreements and After the Event Insurance premiums are no longer recoverable from defendants.

- Lower value personal injury claims are now all initially submitted, and handled, via a paperless portal process with strict, short, associated timescales for decisions.

- In most cases, and subject to a few important exceptions, Wirral will not be able to recover its own costs from the opponent. This is known as Qualified One Way Costs Shifting (QOCS).

- There is a fixed (vastly reduced) cost structure for cases that remain in the portal process.

- There are higher (but still substantially reduced) fixed costs available for cases that fall out of the portal.

2.13 If the claim outlined in 2.10 above was settled under this new regime it would have incurred fixed fees under the new structure of around £5,000 plus disbursements, or circa 8% of the bill actually submitted on that case.

2.14 The Council has now started to see relevant costs savings come through on individual cases but, given Wirral's unusually high defence rates, we will not see the same level of benefit across the entire account as other defendants simply because Wirral settles fewer cases. The Council will also be somewhat harder hit by the process of qualified one way cost shifting than others may be, as its trial success / discontinuance rates are also above the norm, and it will no longer be able to recover its legal costs on the majority of such litigated matters.

2.15 At this point it is not possible to accurately model the effects of these changes as historic claimant behaviours and claims frequencies will not provide a suitable basis. Whilst it is probable that the overall outcomes will be positive, risks remain that the landscape could change. The uncertainty is based on concern that claimant solicitors may adapt strategies and tactics to attempt to drive settlements based on levering the new economic pressures of litigation (QOCS). It is also possible that the substantially reduced costs regime may lead to an up-lift in claims frequency as solicitors consolidate and move to, lower cost, volume handling models.

2.16 The situation is being closely monitored, through reference to the Council's own experience and that of its peers, and procedures will be adapted as necessary to respond to developments. The authority has, over many years, developed an excellent reputation as a tough target and it must remain vigilant that this reputation is not damaged by making short term economic decisions on individual cases which may encourage further unwelcome pressure to be applied in other matters. The Council will maintain its firm but fair approach irrespective of the economics.

Public Liability Claims Statistics

2.17 Despite these legal and regulatory changes, the current rate of receipt of new Public Liability (PL) claims remains reasonably steady. During 2014/15 a total of 390 new claims were received. This was a 12% reduction on the previous year. Whilst the majority of claims relate to simple highway slips and trips a proportion are significantly more complex involving abuse, defamation, bullying and harassment, failure to educate, disease, tree related subsidence, nuisance and social services matters for both failure to remove and / or inappropriate removal. Table 1 below shows the rate of receipt of Public Liability claims over the last 5 years.

Table 1: Claims received – Public Liability

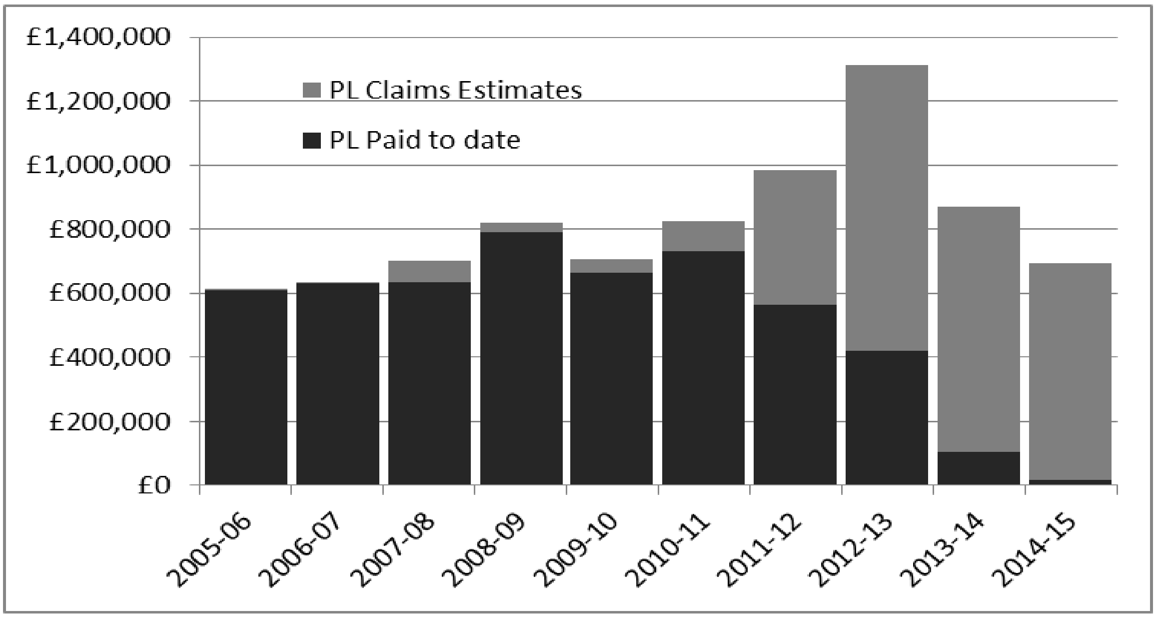
	Number of new Public Liability Claims Received within year				
	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**
Highway Claims	399	423	435	373	319
Other	59	75	55	72	71
Total	458	498	490	445	390

2.18 Whilst good risk management activity can affect the outcome of PL claims, by providing a defence, the frequency of receipt is influenced by factors over which the Council has little control. Dominant influences will include the incidence of severe weather, claims farming activity and the prevailing propensity to claim within the populace. It will be noted that the winter of 2014/15 was relatively mild and this is likely to have contributed to the fall in highway claims receipt.

2.19 This “claims received” data is not necessarily reflective of the impact on individual account years as a claim could be received many years after the incident. Whilst this is more of an issue on Employers liability matters, as will be shown, it should be noted.

2.20 Chart 1 below indicates the expected final costs of known public liability claims occurring over a 10 year period. The yearly totals are split between amounts paid and reserves for claims outstanding. The chart does not incorporate any element of the necessary funding for claims incurred but not yet received. The higher reserved costs for recently submitted claims are accounted for by our obligation to reserve each individual new claim on a full liability basis until investigations indicate that a defence is available. Provided that the excellent repudiation rate experienced in recent years can be maintained, it is expected that the ultimate cost of these latest claims will revert to the standard Public Liability settlement pattern of less than £1m per year. As noted above, the recent civil justice developments have however increased the level of uncertainty in this prediction. The obvious anomaly showing within the data for 2013 demonstrates 2 unconnected claims each of which have the potential to breach the £250k deductible.

Chart 1: Cost of Public Liability claims by date of incident.



2.21 Table 1 is based on the date that the claim was received to indicate the rate of receipt of claims, whereas within Chart 1 the date of accident has been used to show payments and reserves as per policy years. This data does not therefore directly correspond. It was considered that this varying format best illustrated the account performance but if Members require claims data in any other format it can be provided.

2.22 Individual claims can take many years to settle. A portfolio of over 600 open public liability files with a potential combined value over £3.5m is currently being managed.

Employers Liability Claims Statistics

2.23 Following relatively high levels of claims in the preceding years, the number of Employers Liability (EL) claims received in 2014/15 reduced to a total of 36. Although the frequency is down from the peak, the figure remains high in comparison with the long term average and particularly when viewed alongside the reducing headcount. In recent years much of the EL growth has resulted from vibration and noise related claims from Parks employees that are very difficult to defend. The trend of increasing frequency of industrial disease claims is repeated throughout the public sector and industry generally. The alleged causes of the new claims are noted within table 2 below.

Table 2: Claims Received – Employers Liability

New Employers Liability Claims Reported by Date with Alleged Cause					
	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**
Vibration	12	17	6	7	6
Noise (NIHL)	6	16	6	15	5
Asbestos	0	1	0	1	0
Slip / trip / trap / fall	12	11	11	18	12
Others including assault / stress and harassment	14	20	22	9	13
Total for year	44	65	55	50	36

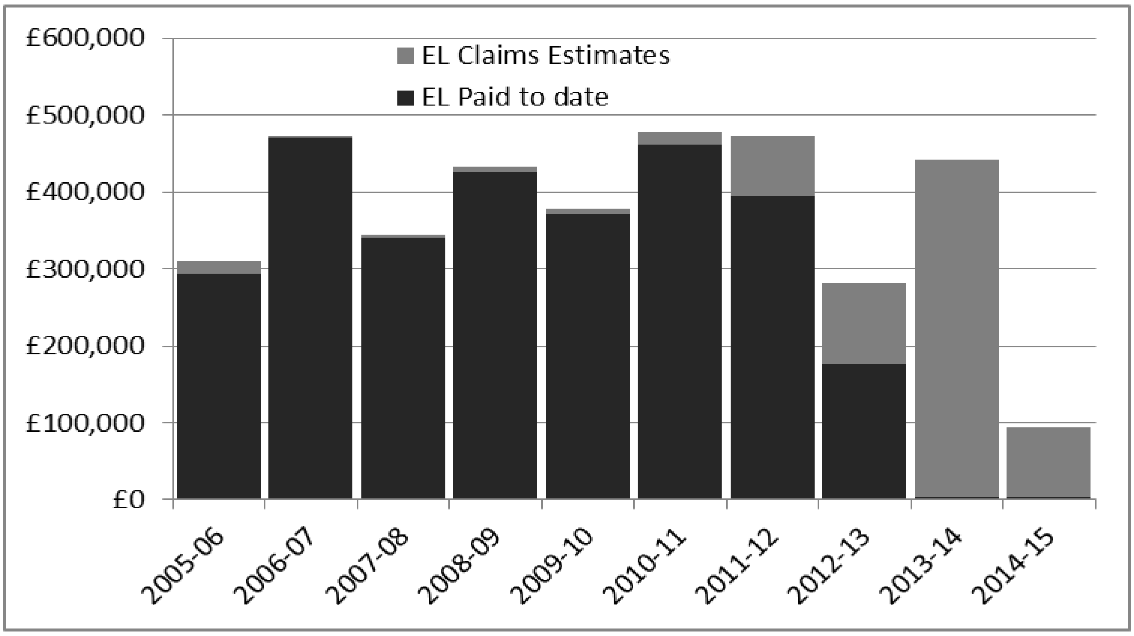
Note that figures within this table will differ slightly from reports extracted from claims database due to the impact of historic matters that are recorded elsewhere. These historic exposure matters added a total of 7 claims (all NIHL) to the figures.

2.24 Employers liability claims generally take much longer than PL claims to be reported, investigated and, if necessary settled. The Council frequently receives claims with an exposure period as far back as the 1950's and 1960's for matters such as Noise Induced Hearing Loss and cancers relating to asbestos exposure. During 2014/15 we also received a new claim alleging asbestos exposure with Birkenhead Corporation in the 1940's resulting in a fatal mesothelioma. Much of this exposure was uninsured as insurance records for some parts of 1940's exposure cannot be traced.

2.25 Given the long exposure periods of disease claims a separate claim needs to be registered against each policy period covered by the exposure. This results in claims payments being distributed across multiple insurers with associated complexity due to the varying aggregate and deductible positions across these policies. Some insurers are trying to insist that a separate claim is recorded for each year within a long term policy period. With some alleged exposures spanning a 40 year employment period this can create extensive administration work. Whilst Wirral has comparatively good records of historic insurances and can trace all insurers for most claims, we do have uninsured periods due to insurer insolvency (Independent Insurance 1981–1984 and earlier MMI exposures for both Bebington Corporation and Birkenhead) and exposure to some employment prior to 1950 for which no insurer details can be traced.

2.26 The overall reserve for known EL claims was £930,708 at 31/03/15 across 84 current live files. The distribution of estimates and payments amongst the more recent policy years is shown within chart 2.

Chart 2: Cost of Employers Liability Claims by Policy Year



2.27 As the complexity of individual EL cases continues to increase, it is also generally becoming more difficult to track down essential witnesses and documents. A lack of documentation for historic cases is therefore expected. However the ongoing reorganisation and contraction within services can often make the location of evidence and witnesses for even recent incidents difficult. The Council's ability to defend Employers' liability claims is now regularly impacted by this position and we are therefore working closely with colleagues in the Health and Safety team to use the post loss analysis to identify and improve corporate processes.

2.28 Management of Liability claims continues to require a substantial amount of work. Amongst the new cases in 2014/15 were many complex and technically demanding claims. Whilst the Council continues to retain a good record in defending such cases this success requires a considerable ongoing investment of time.

2.29 Improvements reported in claims management in previous years were sustained through the continuing efforts of departments to manage their liability risk, particularly the Highways risk. The 'firm but fair' stance on liability and the counter-claims fraud strategy (that has resulted in a successful criminal prosecution) also contribute to this outcome. The performance of claims handling and legal services providers and the continuing active involvement of officers in tactics and procedure all assist in containing the overall cost to the Council of this area of risk.

2.30 Wirral has continued to play a national role in relation to insurance issues. The Council has established, and maintains, a reputation within the market as a leading authority on liability claims matters.

Property and Business Interruption

2.31 The Council self-insures to a maximum of £500,000 damage to property through fire and £1m for damage to commercial properties and to schools through storm flood and escape of water. It also has a maximum liability of £500,000 for business continuity losses through fire and £1m through storm and flood. Any costs above this are met by the insurer Zurich Municipal. The policy is subject to a Long Term Agreement until 29 June 2016 with options to extend for two further 12 month periods.

2.32 Although all property losses are reported to insurers minor claims are investigated and administered directly by the Council. A loss adjuster would be appointed to investigate and report to insurers on larger losses (those estimated to cost in the region of £30,000 or more). However the authority would still have a significant role in managing any necessary reinstatement process and ensuring the optimum settlement is achieved from the insurer.

2.33 The table below shows the number and cost of claims in the last 5 policy years.

Year	Number	Paid to Date	Outstanding	Total
2010/11	47	£203,842	£ 0	£203,842
2011/12	11	£ 27,974	£ 0	£ 27,974
2012/13	16	£ 31,508	£ 0	£ 31,508
2013/14	17	£ 28,122	£ 2,407	£ 30,529
2014/15 *	10	£ 22,069	£33,898	£ 55,967

* Part year figures (as at 15 May 2015)

Motor

2.34 The Council self-insures to a maximum £200,000 all claims relating to any one policy year. In addition its maximum liability for any single claim is limited to £75,000. Any costs above this are met by the insurer. The policy is subject to a Long Term Agreement until 31 March 2017 with an option to extend for a further 2 years.

2.35 The Risk and Insurance team handles all claims for ‘own damage’. Insurers administer third party claims but must refer to the Council any proposals to pay or reject claims. As with liability claims the authority has input into all decisions on tactics and quantum and continuously monitors and manages the performance of the claims handlers.

2.36 The reduction in vehicle numbers has been partly responsible for the decrease in the volume and cost of claims in recent years. However better management of fleet risk is another factor. The authorisation to drive procedure, minibus assessment process and a more robust approach to the investigation of accidents and the management of claims are all elements of this approach.

2.37 The table below shows the number and cost of claims in the last 5 policy years.

Year	Number	Paid to Date	Outstanding	Total
2010/11	47	£76,519	£ 2,250	£ 78,769
2011/12	29	£18,305	£ 0	£ 18,305
2012/13	42	£89,016	£12,294	£101,310
2013/14	32	£44,027	£ 9,230	£ 53,257
2014/15	42	£31,901	£ 5,595	£ 37,496

Other Classes of Business

2.38 Risks which present a more limited exposure to loss (such as damage to equipment and plate glass) are wholly self-insured. Responsibility for handling claims for these areas rests solely with the Risk & Insurance team. Others (such as Money Computer Fidelity Guarantee and Personal Accident) are partially underwritten by insurers. They are procured through competitive tender and subject to Long Term Agreements. The authority liaises with insurers over the small number of claims generated by these contracts.

Review of Liability Reserves and Provisions

2.39 Whilst it is important to ensure that the Insurance Fund holds sufficient resources to meet its liabilities there is also an opportunity cost to maintaining a greater balance than is needed.

2.40 To help ensure that the Fund is sufficient meet the cost of liability claims but is not over resourced reviews are undertaken every three to four years by an external actuary who assesses the amount needed to fund anticipated liabilities for previous years. In the intervening years internal evaluations are undertaken for the same purpose.

2.41 The output from last external review to be commissioned was reported to this committee on 28 January 2014. As in 2013/14 a further evaluation of the sums required as at 31 March 2015 has been undertaken to inform this report.

2.42 The evaluation took as its starting point the figure recommended by the actuary as the provision required as at 31 March 2013. To this the liability funding figures for 2013/14 and 2014/15 were added and all liability claims payments made during those years deducted (including payments due under the MMI Scheme of Arrangement and payments made against the uninsured liability reserve).

2.43 This initial calculation indicated that a sum of £9,600,166 was required as at 31 March 2015 to meet outstanding liabilities as per the middle column of the following table.

Combined Liability	**Position as at 01/04/2014 £**	**Calculated Requirement at 31/03/15 £**	**Restated Requirement at 31/03/15 £**
Provisions < 1 year (275 x IF028 provision for known liability claims that is expected to be utilised entirely within 14/15)	1,550,000	1,500,000	1,500,000
Provisions > 1 year (276x IF028 provision for known liability claims where payment is expected to be made beyond the next year)	4,278,326	2,547,064	2,547,064
Insured Liability Reserve (475x IF028 reserve for insured claims incurred but not yet received, or claims received but insufficiently reserved)	2,157,619	4,208,546	3,208,546
Uninsured Liability Reserve (475x IF056 reserve to cover claims payments for periods of insurer insolvency or policy coverage deficiency)	1,006,000	914,364	1,000,000
MMI reserve / provision (475x IF022 + 275x IF022 reserve to cover claims payments for periods of insurer insolvency or policy coverage deficiency)	430,192	430,192	430,192
Total liability reserves / provisions	**9,422,137**	**9,600,166**	**8,685,802**

2.44 The fund calculation was then subjected to further analysis based on officers' assessment of the variance in account performance post receipt of the actuary report, as the claims landscape has altered substantially in the intervening period.

2.45 This further analysis of the Liability Funds indicated that the figure held at the end of 2014/15 was greater than that which current claims volumes and patterns would suggest is required, even allowing for the current uncertainty surrounding the impact of the civil justice reforms. This improvement in outlook is largely based on a substantial reduction in provisions for known claims following successful claims management outcomes. As such the required funding level indicated by analysis of the actuary report has been reduced and £1,000,000 has been released from the reserve for Liability claims to General Fund balances in 2014/15. The revised funding position, which also incorporates the replenishment of the uninsured liability fund from the operating surplus is shown in the right hand column of the table.

2.47 The ‘claw back’ clause in the Scheme of Arrangement for Municipal Mutual Insurance was triggered by the company’s administrators during 2012/13 and in 2013/14 the Council made an initial payment of £74,708 representing 15% of its historic liability. The Council also now faces contributing 15% to all future liability settlements attributable to the MMI period of insurance. Whilst this leaves an open ended liability Wirral is less affected by this development than other authorities and officers remain satisfied that current funding levels are adequate to manage the exposure. Industry commentators are suggesting that another 40% claw back from this fund may be activated within the next 2 years which would again also include contributing such an uncapped sum to all future settlements.

Review of Other Reserves and Provisions

2.48 As indicated above the Insurance Fund underwrites a number of other classes of business. It also holds sums in respect of uninsured liability risks and to pay for risk improvement measures. These figures are also reviewed each financial year. The table below compares the actual amounts held as at the end of March 2014 in respect of these elements of the Fund.

Class	**Position as at 01/04/14** **£**	**Sum Required at 31/03/15** **£**
Property (IF020)	2,500,000	2,500,000
Motor (IF018)	200,000	200,000
Wholly self-insured claims (such as plate glass and equipment) **(IF051, IF103, IF104, IF105)**	175,998	183,998
Civil Contingency (funds improvements in resilience to service disruption) **(IF021)**	1,500,000	1,500,000

Professional Indemnity (funds excesses on Professional Indemnity claims any claims for uninsured services.) **(IF046)**	50,000	50,000
Risk Management (supports individual risk improvement initiatives) **(IF024)**	144,400	150,000
Claims Management (funds the legal costs of handling uninsured liability claims) **(IF047)**	150,000	150,000
Contaminated Land (funds uninsured liability claims for environmental impairment) (**IF023)**	500,000	750,000
Budget Surplus / Deficit (balance of Fund income v expenditure) **(IF052)**	82,993	82,993
Total	**5,557,391**	**5,566,991**

2.49 In addition to the £1m returned to General Balances from the reserves, the Risk and Insurance service also achieved an operating surplus of £238,000 for 2014/15. This figure is attained from the premiums taken into the Insurance Fund, combined with fee income derived from traded services and consultancy services, less the claims paid and necessary provision / reserve adjustments within the year. This surplus has also been returned to General Fund balances in 2014/15.

2.50 The closedown of the Insurance Fund accounts for 2014/15 and review / amendment of the reserves and provisions held within it therefore resulted in the following key actions.

(i) **The release of £1m from the Insured Liability Reserve to the General Fund.**

(ii) **The release of the operating surplus of £238,000 to the General Fund.**

2.51 The reserves and provisions within the Insurance Fund amount to a substantial sum. Whilst all are clearly earmarked for specific purposes Members may take the view that the Authority’s financial position is such that further amounts should be released to support general balances. Any decision would depend on Members risk appetite as such a release could mean that the Fund had insufficient resources to meet its future liabilities.

Insurance and Risk Management 2014/15

2.52 Throughout 2014/15 regular progress reports on Risk and Insurance Management were presented to the Audit & Risk Management Committee.

Services for Schools

2.53 The insurance facility for Academy schools established in 2011/12 continued to prove very popular with schools which have taken the decision to convert. The authority assists schools with tendering to obtain competitive quotations for academy-specific insurance packages, critically appraises policy wordings verifies all policy documentation provides support with claims and general risk management advice. The service generated income of approximately £38,000 in 2014/15. This helped to offset the Council's own insurance administration costs.

2.54 Wirral has remained at the forefront of developments in the Academy Insurance sphere as it has taken a lead national role in appraisal of the DFE's Risk Protection Arrangement. This development could negatively impact both the quality of insurance protection available for these schools and the future fee income from Academies. The teams work aims to mitigate these potential impacts.

Budget

2.55 The Insurance Fund Budget 2015/16 was approved by Audit & Risk Management Committee on 27 January 2015. The report confirmed that the cost to the General Fund would be £88,000 less than the Budget for 2014/15.

Insurance Management 2015/16 and beyond

2.56 Regular reports on the progress of Insurance and Risk Management will continue to be presented to the Audit and Risk Management Committee.

2.57 The following table shows the key insurance / claims tasks for the year ahead and the target dates for completion.

Task	Target Date
Procurement of Civil Litigation Defence Services	1 June 2015
Negotiate annual renewal of Property, All Risks, Money, Fidelity Guarantee and Personal Accident / Business Travel policies	30 June 2015
Possible extension of the Liability insurance contract	30 September 2015
Compile the Insurance Fund Budget 2016/17	January 2016
Negotiate annual renewal of the Motor, Engineering and Foster Care policies.	March 2016
Procurement of Computer insurance policy	March 2016

2.58 As reported previously to this committee the Council took the option to extend the Liability insurance contract to 31 March 2017. However there remains a possibility that insurers could break the Long Term Agreement by proposing unreasonable changes to the premium or cover. Should this happen officers will conduct a competitive tender exercise for this contract. The risk of an adverse outcome from such an exercise is reduced because there is now a wider market for local authority Liability risks than was the case only a year ago. Officers continue to explore the merits of bringing the Liability claims handling function fully in-house. Requesting quotations on the basis of external claims handling and alternatively of self-handling will enable the Council to identify precisely the financial benefit which would result from bringing claims handling in-house. An update on this issue will be provided to this committee at its meeting in September.

3.0 RELEVANT RISKS

3.1 Insurance charges (including those for schools) are calculated six months before the start of each financial year. Schools converting to Academy status cannot be covered by the Council's insurance arrangements. Uncertainty over which schools will convert and the date of conversion presents a risk that the Insurance Fund will not recover sufficient premiums to meet claims from schools. This is mitigated to some degree by maintaining strong relationships with schools and ensuring that developments are known as early as possible.

3.2 The evaluation of funding requirements whether by external actuaries or Council officers are based on historic exposures claims and payments patterns. It is possible that as a result of changes in the organisational risk profile or the environment for civil litigation the recommendations could subsequently prove to be inadequate or overstated. This risk is mitigated by officers' ongoing reviews and statistical assessments.

3.3 The small Risk & Insurance team is reliant upon the specialist technical skills of a limited number of officers. Capacity and capability would be an issue in the event of a surge in claims or a single long term absence.

4.0 OTHER OPTIONS CONSIDERED

4.1. The original calculated requirement for Liability claims could have been retained within the Insurance Fund. However this would have presented a lost opportunity to support General Fund balances.

5.0 CONSULTATION

5.1 Secondary Schools will be closely involved in any further development of the insurance facility for Academy Schools.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are no direct implications arising from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 The continuing effective and pro-active approach to managing insured risk is reflected in the assessment of the amounts required in the Insurance Fund to meet current and future claims.

7.2 The Insurance Fund Budget 2016/17 is to be presented to this committee in January 2016.

8.0 LEGAL IMPLICATIONS

8.1 There are no direct implications arising from this report.

9.0 EQUALITIES IMPLICATIONS

9.1 There are no direct equalities implications arising from this report.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are no carbon usage implications arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are no planning implications.

12.0 RECOMMENDATION/S

12.1 That members endorse the release of monies from the Insurance Fund to the General Fund indicated in paragraph 2.50.

12.2 That the Insurance Fund Budget 2016/17 be prepared for presentation to this committee in January 2016.

13.0 REASONS FOR RECOMMENDATIONS

13.1 To maintain appropriate financial reserves.

13.2 The Insurance Fund Budget forms part of the Council budget-setting process.

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SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Insurance Fund Budget 2015/16 - Audit & Risk Management Committee	27 January 2015
Insurance Fund Annual Report – Audit & Risk Management Committee	23 June 2014
Insurance Fund Budget 2014/15 - Audit & Risk Management Committee	28 January 2014
Insurance Fund Annual Report – Audit & Risk Management Committee	18 September 2013
Insurance Fund Budget 2013/14 - Cabinet	29 November 2012
Insurance Fund Annual Report - Cabinet	21 June 2012