

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

22 SEPTEMBER 2015

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 June 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 since June in respect of those actions is summarised in the paragraphs below.

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

Premiums for the renewal of all policies were agreed with insurers in advance of their expiry on 30 June. Actual costs are approximately 4% (£13,100) less than those estimated.

2.2.2 **Possible extension of Liability insurance contract**

Members may recall that officers agreed to accept an increase in the premium for this contract and a rise in the level of self-insurance at renewal of the policy in April this year. However insurers were advised that any further increase would lead to the Council tendering this class of business. Zurich Municipal have recently advised that because of a continuing deterioration in claims nationally they would require a further above-inflation premium increase to renew the policy in 2016/17. As such a competitive procurement exercise will now need to be conducted prior to 31 March 2016. This will be a significant additional task that would otherwise not have been undertaken until 2016/17.

2.2.3 Alarm Award Nomination

The Council's Senior Risk and Insurance Officer Simon Hutchinson was awarded 'Professional of the Year' at the 2015 national Alarm Risk Awards on 22nd June. He has also been the lead author on a new technical manual in respect of the management of Highway Liability that has been well received within the sector and which reflects practice in place in Wirral.

2.2.4 Possible in-sourcing of Liability claims

Different options for the future handling of Liability claims including the risks and benefits of self-handling will be considered through the Liability insurance procurement exercise.

2.2.5 Launch risk management e-Learning modules

Both the manager and employee courses are now live on the Council e-Learning portal. The managers' module forms part of the mandatory Management Development programme.

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

The Risk and Insurance Officer is to meet with the Policy, Performance & Scrutiny team this month to develop future reporting arrangements as part of a wider discussion on improvements to risk governance.

2.2.7 Risk Management Benchmarking

The Council has joined the CIPFA / Alarm risk management benchmarking club for 2015. The self-assessment questionnaire has been completed by members of the Corporate Governance Group and submitted to CIPFA. CIPFA's report is awaited and will be summarised for the next meeting of this committee.

2.2.8 Corporate risk register

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

2.2.9 Enhancements to monitoring of performance against Portal timescales

Members may remember that the changes to the regime of civil justice enacted in the past couple of years include the submission and handling of lower value personal injury claims via a paperless on-line portal. There are strict timescales for responding to such 'portal' claims and associated penalties for failing to do so. In view of this it has been necessary to monitor and improve the reporting timescales from the client department. A new process has been implemented for the monitoring and quality control of new highway liability claims.

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.

3.2 The tendering of the Liability insurance contract is a complex and involved exercise that would not otherwise have taken place until 2016/17. It will impose a significant strain on available resources.

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 were renewed in June 2015 were £13,100 less the 2015/16 budget.

8.2 Further staffing implications are referred to in paragraphs 2.2.3 and 3.2.

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	8 June 2015
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