



Audit and Risk Management Committee
Tuesday, 15 March 2016

REPORT TITLE:	Management of Insurance and Corporate Risk
REPORT OF:	Head of Financial Services

REPORT SUMMARY

This report sets out the key actions to be taken in relation to corporate risk and insurance management during 2016/17 and highlights any key decisions which will need to be made. Recent progress made in relation to key actions planned for the current year is also included.

RECOMMENDATION/S

That the content of this report be noted.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

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.

2.0 OTHER OPTIONS CONSIDERED

Not relevant in relation to this report.

3.0 BACKGROUND INFORMATION

3.1 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.

3.2 The table below summarises key actions planned between now and the end of 2016/17. 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 2016	No	The outcome will be reported to Members
Risk financing	Introduction of self-handling of Public Liability claims for property damage	Apr 2016	No	Progress will be reported to Members

Category	Action	Date	Member Involvement	Comments
Risk financing	Decision on possible replacement of Fidelity Guarantee policy with Crime policy	Apr 2016	No	An analysis of the risks and benefits will inform my decision which will be shared with Members.
Risk financing	Procurement of insurance broking services	Jun 2016	No	The procurement will adhere to revised Contract Procedure Rules and the outcome reported to Members.
Risk financing	Insurance Fund Annual Report	Jun 2016	Yes	Members to Consider recommendations on provisions and reserves.
Risk financing	Annual renewal of Property, All Risks, Money and Personal Accident / Business Travel policies	Jun 2016	No	The outcome will be reported to Members
Risk financing	Decision on possible extension of Motor and Engineering insurance contracts	Dec 2016	No	The decision will be taken in line with revised Contract Procedure Rules and reported to Members.
Risk financing	Insurance Fund Budget 2016/17	Jan 2017	Yes	Members to agree Insurance Fund Budget and apportionment between schools and the General Fund
Risk financing	Procurement of Casualty insurance	Mar 2017	No	The procurement will adhere to revised Contract Procedure Rules. The outcome will be reported to Members

Category	Action	Date	Member Involvement	Comments
Risk management	Refresh of Corporate Risk Register	Jun 2016	Yes	Register will be provided in full for consideration of Members
Risk management	Consideration of risk appetite and action plan	Jun 2016	Yes	Cabinet will be involved. Outcome will be reported to Members
Risk management	Introduction of integrated reporting arrangements	Jun 2016	Yes	Improved reports will be provided to Members
Risk management	Revised Corporate Risk Management Policy	Jun 2016	Yes	Policy will be provided for consideration of Members
Risk management	2016 risk management benchmarking	Sep 2016	No	Outcome will be reported to Members

3.3 In addition to day-to-day operations the service is responsible for major procurement exercises and improvement activities. This area of the 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 2015. Progress since my report last month in respect of those actions is summarised in the paragraphs below.

3.3.1 **Introduction of self-handling of Public Liability claims**

Preparations are being made ahead of the Council piloting a project to assume responsibility for Public Liability claims involving property damage. These include the production of revised procedure manuals, claims documentation and processes, audit procedures, staff training, enhanced utility of the claims management system, revised web-site content and service continuity arrangements.

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

Information required by the Council's insurers in order for renewal terms to be produced has been supplied. Proposed terms are currently awaited. Actual premiums are expected to be in line with assumptions made in the production of the corporate insurance budget reported to the previous meeting of this committee.

3.3.3 Refresh of Corporate Risk Register

The Strategic Leadership Team (SLT) has considered a report from the Risk & Insurance Manager on the key areas of risk identified through the interviews with political and executive leaders undertaken in November and December 2015. Work to refine the initial list of risks and develop clear definitions is currently underway. The output from this work will be reported to the next meeting of this committee.

3.3.4 Consideration of Risk Appetite

SLT has discussed the output from the risk appetite survey conducted in December 2015. This indicated that political and executive leaders were prepared to accept significant levels of risk in areas where the potential rewards were also significant. Actions to respond to the findings are being developed and will be considered by SLT in the coming weeks. These will be shared with this committee.

4.0 FINANCIAL IMPLICATIONS

4.1 There are none arising directly from this report.

5.0 LEGAL IMPLICATIONS

5.1 There are none arising directly from this report.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

6.1 The adoption of limited self-handling of Liability claims will result in some additional work for the Risk and Insurance team.

7.0 RELEVANT RISKS

7.1 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.

7.2 Operational risks associated with the introduction of self-handling of some Public Liability claims are being addressed through the actions confirmed in paragraph 3.2.1

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

9.1 There are none arising directly from this report.

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APPENDICES

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	
Corporate Risk & Insurance Management	17 February 2016
Corporate Risk & Insurance Management	24 November 2015
Corporate Risk & Insurance Management	22 September 2015