

**REPORT OF THE SERVICE DIRECTOR FINANCE, PROCUREMENT &
IMPROVEMENT****NOTTINGHAMSHIRE COUNTY COUNCIL – RISK & INSURANCE****Purpose of the Report**

1. The purpose of this report is to provide an update to members about the County Council's insurance arrangements and give them the opportunity to comment.

Information

2. A previous report to Committee on 16 October 2017 provided information on the activities of the Risk & Insurance section and gave details of the insurance arrangements in place for Nottinghamshire County Council. This report provides an update on claims experience and provides additional information on key activities undertaken by the team.

Insurance Renewal

3. A significant amount of work has been undertaken in conjunction with Corporate Procurement to identify the most cost effective and robust method for undertaking a renewal of the insurance policies in place to protect the Council from risk.
4. Detailed negotiations have taken place with our main insurer, Zurich Municipal (ZM), and these negotiations have reached a satisfactory conclusion.
5. A more detailed report setting out the costs and implications of the proposed renewal terms is included in this agenda.

Freedom of Information (FOI) Requests

6. Risk and insurance receive FOI requests on a continual basis throughout the year. A surge in requests is usually observed in January and April, immediately after the end of the calendar year and the financial year. Details on the number of FOI requests by year are set out in the table below.

Financial Year	No of FOI Requests Received
2013/14	24
2014/15	27
2015/16	16
2016/17	21
2017/18 (to 16.03.18)	23

7. By far the most common requests received are for information on claims in respect of damage to vehicles as a result of potholes in the highway, approximately 70% of requests. Request for other information relate to claims due to accidents in schools/work place and children's social care claims. The Council's insurance arrangements and overall claims experience make up the majority of the remaining requests. The information requested usually focuses on claim volumes and the value of damages paid to claimants, although some requests do ask for other costs such as legal fees, other expenses and the total costs of the claim to be included.
8. It is felt that most requests received are likely to be from individuals and claimants, however some requests, particularly those in respect of the Council's insurance arrangements and overall claims experience, are clearly from larger organisations looking for commercially beneficial information.
9. It should be noted that the financials and status of claims is a continually changing situation. Information provided on a particular date could be entirely different if reproduced on another date. As a result it is necessary for Risk and Insurance to treat every FOI request as an entirely new request, even where the information requested has been asked for in previous requests.
10. As the volume of FOI requests received by Risk and Insurance is once again increasing, combined with the ever more complex and higher level of detail in the information requested, FOI requests now require that a considerable amount of time is committed to their completion.

Claims Experience

11. Appendix A sets out details of the claims received by year.
12. Of the claims received 84% are public liability claims and the majority of these will be in relation to claims arising from the highway (e.g. pothole damage to vehicles and injuries arising from slips and trips).
13. The last quarter of this year has seen a spike in the number of claims. This has been caused by the unusual weather conditions this year which has resulted in more than usual pothole damage to the road network. The particularly wet conditions combined with the freezing temperatures has resulted in significantly more damage caused by the freeze/thaw action than in normal years.
14. It is important to note that the Council has a statutory defence to highway claims. So long as the Council can demonstrate that it is operating a reasonable system of inspection and maintenance then claims can be defended.

15. In the winter weather conditions many of the potholes arise very quickly and would not have been present at the last carriageway inspection. If the Council was not aware of the pothole at the time of the accident, or it was scheduled for repair in the correct time frame, then the claims can be successfully defended.
16. Whilst this can be frustrating for motorists it is the legal position. Successfully defending the claims helps to protect the Council's financial position as the first £260,000 of every claim is self-funded.

RECOMMENDATION/S

17. It is recommended that:
 - Members consider the report and comment upon the information presented.
 - Agree whether the committee would like to continue to receive 6 monthly update reports.

Nigel Stevenson

Service Director – Finance, Procurement & Improvement

For any enquiries about this report please contact:

Anne Hunt – Risk & Insurance Manager

Constitutional Comments (KK 10/4/18)

18. The proposals in this report are within the remit of the Finance & Major Contracts Management Committee.

Financial Comments (KRP 04/04/18)

19. There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

20. Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All