

15 March 2021

Agenda Item: 6

REPORT OF SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE & IMPROVEMENT

RISK AND INSURANCE UPDATE

Purpose of the Report

1. To provide members with an update on the insurance claims experience and on some significant areas of work and development within the Risk and Insurance team.

Information

Claims Experience

2. **Appendix 1** presents a table that provides a comparison of the claims experience for both Employers and Public Liability risks for the last five financial years. The table provides a year by year comparison of the:
 - number of claims made
 - number of those claims litigated (defence has proceeded to formal court proceedings)
 - number of those claims settled (liability has been accepted)
 - amounts paid out on those settled claims
 - number of those claims that remain open (still to be resolved)
3. **Appendix 2** presents a graph to illustrate the number of highways claims open at the end of each quarter and the value of claims that have been successfully repudiated during the same period. The graph provides quarterly data for the last two financial years.
4. Some key points and context to note about the claims experience are:
 - Claim numbers are currently below levels experienced in the previous five years.
 - The first lockdown in March 2020 had a significant impact as claims received during this period reduced substantially. This is considered to be because of the restricted movement of the population and that claimant solicitors were adapting to new ways of working in response to the pandemic.

- As the restrictions from the first lockdown have been eased the number of claims received has steadily risen. With the onset of the winter months and the more severe weather conditions the number of highways related claims has started to increase.
- Repudiation rates for highways related claims continue to improve which positively impacts on the amount paid out on claims settled.

Changes in Staffing and Team Responsibilities

5. The team has seen some staff turnover during the last year, including the recruitment of two Risk Advisor & Senior Claims Handlers. Further staffing matters are set out in a separate paper on today's agenda, proposing a restructure to build resilience in to the team to ensure that it is able to effectively meet the current and future demands of the service.

Development of an Internal Claims Portal

6. Further progress has been made with improving the online experience for members of the public wishing to make a claim against the Council. The online claim form was implemented in 2019/20 and the team have continued to investigate how the service can be further developed and improved for service users. To this end, the team commissioned the development of an online claims portal in DASH, and this has now been implemented by the ICT Design and Build Team.
7. DASH is an enhanced case management tool that improves user functionality and efficiency by processing work through allocated queues and actionable requests which have been submitted by online forms (internal or external). DASH uses predefined filters or queues that can be used to organise and display cases to internal teams in a way that best suits the workflow. DASH is an approved Council application that is used widely across multiple departments and teams.
8. The portal was successfully tested prior to going live on 2 February 2021. As of this date, submitted claim forms go directly in to the portal instead of to the Risk and Insurance team's email account. All members of the team have access to the portal and are able to download the forms and supporting evidence.
9. The main benefit of the portal is its capacity to cope much better than the email account with the electronic size of photographs and other attachments. This is providing assurance to both claimants and team members alike that all photographs and attachments are securely received.

Loss Adjuster Tender

10. The team has successfully procured the Loss Adjuster contract, which provides loss adjusting services for property damage losses and technical support on third party property damage claims. The contract was awarded to Williams Pitt Ltd. The reserve contract, for instances where the primary contractor may not be able to respond to incidents due to capacity or for reasons of conflict of interest, was awarded to Woodgate and Clark Ltd.
11. The contracts have been awarded on an initial term of two years, with two subsequent opportunities to extend for a further period of 12 months each. This allows for a maximum term

of four years. The procurement of this contract ensures that the Council continues to maintain best value for this service.

Griffiths & Armour – Liability Claims Defensibility Audit: Highways

12. The Risk and Insurance team has commissioned an external audit of the defence of highways related liability claims. The audit has been undertaken by the Council's brokers, Griffiths and Armour. The reach of the audit has included Risk and Insurance, the Highways Client team and Via East Midlands.
13. The report is still to be finalised, and an overview of its key findings will be included in the next Risk and Insurance update. The scope of the audit comprises a review of the following key elements:
- each party's training, communication and performance monitoring arrangements
 - management of accidents and claims
 - documentation and risk assessments in place

Other Options Considered

14. No other options were applicable for this update.

Reason/s for Recommendation/s

15. To provide Members with the opportunity to comment on key information relating to the activities of the Risk and Insurance team.

Statutory and Policy Implications

16. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

17. A primary aim of the insurance arrangements is to provide a reasonable level of protection against significant and unforeseen liabilities, in the most cost effective way. A further aim is to ensure claims management processes are robust to protect the Council from unnecessary expenditure.

Human Resources Implications

18. A separate report has been submitted to the committee in respect of the proposed restructure of the Risk and Insurance team.

Implications for Service Users

19. The aim of the development of the internal claims portal is to further improve the effectiveness of the claims handling service for claimants accessing the service.

RECOMMENDATION/S

Members determine whether there are any actions or further information they would like to see arising from the matters raised in this report.

Nigel Stevenson
Service Director for Finance, Infrastructure and Improvement

For any enquiries about this report please contact:
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Constitutional Comments (SJE – 23/02/2021)

20. Finance & Major Contracts Management Committee is the appropriate body to consider the content of this report. If Committee resolves that any actions are required, it must be satisfied that such actions are within the Committee's Terms of Reference.

Financial Comments (SES 23/02/2021)

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

22. A primary aim of the insurance arrangements is to provide a reasonable level of protection against significant and unforeseen liabilities, in the most cost effective way. A further aim is to ensure claims management processes are robust to protect the Council from unnecessary expenditure.

Background Papers and Published Documents

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