

**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 A** presents a table that provides a comparison of the claims experience for both Employers and Public Liability risks for the last five financial years and current year. 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 B** 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:
 - Public Liability claim numbers although initially reduced due to the lockdown increased in the second half of the year and eventually reverted back to usual levels.
 - Employers Liability claim numbers remain below the numbers received in the previous five years.

- Repudiation rates for highways related claims continue to improve which positively impacts on the amount paid out on claims settled. The repudiation rate for 2020/21 currently rests at 90%.

Changes in Staffing and Team Responsibilities

5. The restructure approved by Finance Committee on the 15 March 2021 has been implemented. The new Claims Handler and Administrative Assistant's joined the team in September 2021. An induction plan and extensive training programme has been put in place to support and develop the new employees. Once established the new posts will provide the additional resilience required to effectively meet the current and future demands of the service.

Insurance Broker Tender

6. The team has successfully procured the Insurance Broker contract, for the provision of brokerage, insurance and risk management services. The contract has been awarded to Arthur J. Gallagher (AJG).
7. The contract has been awarded on an initial term of two years, with two subsequent opportunities to extend for a further period of twelve months each, for a maximum term of four years. The procurement of this contract ensures that the Council continues to maintain best value for this service.
8. Over the next six months the team will be working in close partnership with AJG to prepare and undertake the tendering and re-procurement of the Council's insurance provision. Ensuring the Council continues to achieve best value for its insurance arrangements.

Griffiths & Armour – Liability Claims Defensibility Audit: Highways

9. Last year the team commissioned an external audit of the defence of highways related liability claims. The audit was undertaken by the Council's previous brokers, Griffiths and Armour. The reach of the audit included Risk and Insurance, the Highways Client team and Via East Midlands.
10. The scope of the audit included 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
11. The report has now been finalised and **Appendix C** provides an overview of the Council's current risk ratings in relation to the defensibility of highways claims which ranges between very good and excellent.
12. The key recommendations from the audit for the team to take forward include:
 - development of a Highways Claims Manual to document the team's procedure
 - post claims reviews to be conducted more regularly to improve future claims defence
 - claims analysis to be shared at monthly operational claims meetings
 - the information currently provided to claimants be reviewed

13. The above recommendations have been accepted. Version one of the Highways Claims Manual has been developed and has been used in the training of the new Claims Handlers and Administrative Assistants. The standing agenda for the monthly operational Highways Claims meetings has also been updated to include post claim reviews and claims analysis.
14. The review of the information provided to claimants has been added to the team's action plan to be taken forward. Once commenced, progress reports will be provided in future updates brought to the committee.

Other Options Considered

15. No other options were applicable for this update.

Reason/s for Recommendation/s

16. 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

17. 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

18. 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

19. None

Implications for Service Users

20. None

RECOMMENDATION/S

That the contents of the report be noted.

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Constitutional Comments (EP 10/09/21)

21. The Finance Committee is the appropriate body to consider this report. If Committee resolves that any actions are required it should ensure that such actions are within its terms of reference.

Financial Comments (SES 10/09/2021)

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

23. 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