

**Annual Insurance Report 2022/23**

**Report of the Deputy Chief Executive (Section 151 Officer)**

**1. INTRODUCTION AND PURPOSE OF REPORT**

- 1.1 The attached Annual Insurance Report provides a summary of insurance performance for the financial year April 2022 to March 2023.
- 1.2 The report includes comparisons with the previous three financial years in order to allow for a meaningful comparison of trends.
- 1.3 The information is used to understand the claims profile and recognise any areas where further risk management can assist in reducing claims and also those areas that have benefited from effective risk management.
- 1.4 The insurance service is responsible for procuring a wide range of different insurance policies which afford cover to Stockport Council, local schools, Totally Local Company (TLC) and Stockport Homes Ltd (SHG). Cover for specific identified risks include public liability, employer's liability, motor, fidelity guarantee, professional indemnity and property/asset cover.
- 1.5 The purchase and renewal of cover is undertaken in conjunction with the Council's appointed Insurance Brokers, Gallaghers, who help to ensure that key risks are managed in the most cost-effective way, whilst also ensuring we have the appropriate protection in the event of a loss.

**2. BRIEF OVERVIEW OF INSURANCE ACTIVITY AND TRENDS**

- 2.1 During the 2022/23 financial year the Council received 347 new insurance claims overall. This is the lowest total recorded in many years. This compares to 358 in 2021/22, 380 in 2020/21, 430 in 2019/20 and 511 in 2018/19. This data represents a sustained downward trend over the past four years.
- 2.2 In relation to claims by service area type, the latest three-year trend highlights an increase in claims numbers arising at Totally Local Company (TLC). Conversely, all other Council services, highways and schools are presenting a declining trend. Finally claims arising at Stockport Homes Group (SHG) present a relatively stable claims level. (see chart 1 in appendix).
- 2.3 In relation to claims by risk/cover type. In 2022/23, Public Liability (PL) and Motor Claims were most prominent (43% each) while Employee Liability Claims remain relatively low (2%). (see chart 2 in appendix).
- 2.4 During the period the service was not required to attend any court hearings. Positively, of the three claims originally progressed to court by the claimant, all

were settled or discontinued prior to the hearing. This is beneficial as it reduces cost and additional resource in defending those claims further.

- 2.5 Fully embedded and robust fraud checks by the in-house claims handling team have prevented an additional six claims from progressing with a total reserve value of £91k. These internal checks are vital in the services' overall aim of protecting scarce public resources and are in line with the Council's zero tolerance approach to fraud (specified in the Anti-Fraud and Corruption Policy).
- 2.6 In terms of Highways claims the data illustrates a further falling trend year on year 81 (2022/23), 84 (2021/22), 78 (2020/21) and 153 (2019/20). Positive repudiation rates @80% (48% in 2012). (refer to Table 2 in appendix).
- 2.7 Finally, in a project linked to the Council Medium Term Financial Plan (MTFP), an in-house solicitor was appointed in the period. The main objective is to reduce costs and reliance on external legal resource based on a detailed historical analysis of costs. Data on savings achieved are regularly monitored as part of the services ongoing continuous development plan.

### **3. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 3.1 Financial and risk assessment considerations are considered in the body of the report.

### **4. LEGAL CONSIDERATIONS**

- 4.1 There are no legal considerations arising from this annual report.

### **5. HUMAN RESOURCES IMPACT**

- 5.1 There are no HR implications arising from this annual report.

### **6. EQUALITIES IMPACT**

- 6.1 There are no equalities implications arising from this annual report.

### **7. ENVIRONMENTAL IMPACT**

- 7.1 There are no environmental implications arising from this annual report.

### **8. CONCLUSIONS AND RECOMMENDATIONS**

- 8.1 CRMG are asked to note and comment on the content of the report.

### **BACKGROUND PAPERS**

There are none.

Anyone wishing to inspect the above background papers or requiring further information should contact John Pearsall on 07527387021 or by email on [john.pearsall@stockport.gov.uk](mailto:john.pearsall@stockport.gov.uk)