

**ANNUAL INSURANCE REPORT 2023/24**

Report of the Assistant Director for Finance (Interim S151 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 2023 to March 2024.
- 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, Life Leisure, local schools, Totally Local Company (TLC) and Stockport Homes Ltd (SHG). Cover for specific identified risks include public liability, employer's liability, motor, crime, 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 2023/24 financial year the Council received 345 new insurance claims overall. This is the lowest total recorded in many years. This compares to 349 in 2022/23, 358 in 2021/22, 380 in 2020/21 and 430 in 2019/20. The last two years demonstrates a stabilisation in numbers being received.
- 2.2 In relation to claims by service area type, the latest three-year trend highlights a slight fall in claims numbers arising at Totally Local Company (TLC). All other Council services experienced a slight rise and highways have experienced the largest percentage increase in claims numbers. Both Stockport Homes Group (SHG) and schools are presenting a declining trend. (see 2.3 chart 1 in main report).
- 2.3 During the period the service attended court hearings on four occasions. Positively, in all cases the judgement to the Council was favourable. A further case was discontinued prior to the hearing. This is beneficial as it reduces cost and additional resource in defending those claims further and enabled cost avoidance of £68k.
- 2.4 Fully embedded and robust fraud checks by the in-house claims handling team

have prevented an additional four claims from progressing with a total reserve value of £150k. 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 (as specified in the Anti-Fraud and Corruption Policy).

- 2.5 In terms of Highways claims the data illustrates a slight increase trend year on year with 102 claims (2023/24), 82 (2022/23) and 94 (2021/22). Positive repudiation rates @94% were evident (48% in 2012). (refer to Table 1).
- 2.6 Finally, in a project linked to the Council Medium Term Financial Plan (MTFP), an in-house solicitor was appointed in the 2021/22 financial year. The main objective was to reduce costs and reliance on external legal resource based on a detailed historical analysis of costs. Current spend data is highlighted in 4.5 of the main report and show a marked reduction in spend over the last few years.

## **2. CONCLUSIONS AND RECOMMENDATIONS**

- 3.1 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)