

**REPORT TO:           AUDIT & RISK MANAGEMENT SUB-COMMITTEE - 22 JANUARY 2007**  
**REPORT ON:           INTERNAL BENCHMARKING OF INSURABLE LOSSES**  
**REPORT BY:           RISK AND BUSINESS CONTINUITY MANAGER**  
**REPORT NO:          71-2007**

**1       PURPOSE OF REPORT**

This report provides Elected Members with comparative loss figures for the financial years 2004/05, 2005/06 and 2006/07 to date.

**2       RECOMMENDATIONS**

It is recommended the Committee:

- i       notes the data provided;
- ii      agrees to monitor the progress of the loss data presented; and
- iii     continues to support Risk Management activity to control self insured losses.

**3       FINANCIAL IMPLICATIONS**

There are no immediate financial implications from the content of this report. The control of self insured losses is, of course, an essential element of the effective stewardship of public funds.

**4       SUSTAINABILITY POLICY IMPLICATIONS**

None

**5       EQUAL OPPORTUNITIES**

None

**6       BACKGROUND**

Members attention is drawn to the content of Report No 318-2006 to the Audit and Risk Management Sub Committee of 26 September 2005, intimating developments made to the Council's new Risk Management Information System. Further training in report production has been delivered and the quality of the output is improving incrementally with experience.

Analysis of the data by the Council's Risk Management Section highlights the following features:

Property Damage

No major fire event occurred during the year reported on. Investment in Property Risk Management initiatives has seen the Council's self insured property costs fall from £762k in 2004/05 to £626k in 2005/06 and an anticipated outturn of £575k in 2006/07

### Public Liability

Value comparisons are difficult for this class of cover, due to large reserves being held pending resolution of claims (normally through Court actions). What is remarkable is the reduction of the number of Public Liability claims from a high of 1,053 in 1997/98 to a forecast outturn of 600 in 2006/07.

### Motor Insurance

The Motor Fleet (Lease and Service) costs are significantly slanted to only three departments of the Council. A risk management working group to identify how the statistics may be improved is to be established.

### Employers Liability

An overall loss figure for the three years of circa £750k on outturn is within acceptable parameters for this class of cover (less than 0.1% of annual wageroll).

### Summary

The Council's loss statistics either show improvement or stability. There remains much scope to improve and this aim will be met through risk management activity with departments.

## 7 **CONSULTATION**

- 7.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance) and Head of Finance have been consulted on the content of this report.

## 8 **BACKGROUND PAPERS**

None

**RISK AND BUSINESS CONTINUITY MANAGER**

**15 JANUARY 2007**