




Report to:	Audit Committee	Date:	11 January 2018
Report title:	Annual Insurance Service Review 2016/17		
Report from:	Gerald Almeroth - Strategic Director Resources		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor David Hicks		
Author(s)/Contact Number(s):	Bradley Peyton, Head of Insurance, Pensions and Records Management (Interim), 020 8770 5351		
Corporate Plan Priorities:	<ul style="list-style-type: none"> ● An Open Council ● A Fair Council ● A Smart Council 		
Open/Exempt:	Open with the exception of Appendix A which is exempt on the basis of Paragraph 3, Schedule 12A of the Local Government Act 1972		
Signed:		Date:	22 December 2017

1. Summary

- 1.1 The report provides assurance that the insurance service is operating efficiently and effectively as part of the overall risk management framework of the Council as well as acting on a commercial basis providing services to other local authorities and generating new income.

2. Recommendations

The Audit Committee is recommended to:

- 2.1 Consider the Insurance Service Review for 2016/17 and note the efficient and effective operation of the insurance service.

3. Background

- 3.1 This is the ninth annual report to inform and update the Audit Committee as to the work being undertaken by the Council's insurance service. The report also aims to provide assurance of the financial management of the insurance arrangements, including analysis of the insurance fund and claims provision.

4. Issues

- 4.1 Detailed issues are included in Appendix A

5. Options Considered

5.1 There are no options to consider arising from this report.

6. Impacts and Implications

Financial

6.1 There are no direct financial implications arising from the recommendation in this report. Managing insurance in an effective way protects the Council from financial risk.

6.2 The Council reduced its annual insurance costs by £268k during 2016/17 (effective 1 April 2017). This is not completely a direct cash saving because of the following factors:

- a significant amount of the reduction is due to the parks and waste services moving to IdVerde and Veolia respectively;
- some of the reduction is due to Cognus and Encompass being separated and charged direct, so rather than the cost being shown against insurance recharges it could be included in their contract price; and,
- Sutton College is also being charged direct to have more transparency in their charges. This charge may create a pressure in the People's budgets.

Legal

6.3 There are no legal implications arising from the recommendation in this report.



7. Appendices and Background Documents

Appendix letter	Title
A	Insurance Service Review 2016/17 (Exempt)

Background documents
None

Audit Trail		
Version	Final	Date: 22 December 2017
Consultation with other officers		
Finance	Yes	Sue Hogg
Legal	No	N/A
Equality Impact Assessment required?	No	N/A

This page is intentionally left blank