

**MINUTES OF A MEETING OF THE
VALUE OVERVIEW & SCRUTINY COMMITTEE
Town Hall, Main Road, Romford
14 February 2013 (7.30 - 9.00 pm)**

Present:

Councillors Robby Misir (Chairman), Ray Morgon (Vice-Chair), Ron Ower and Damian White

Apologies for absence were received from Councillor Ted Eden and Councillor Billy Taylor

23 MINUTES

The minutes of the meeting of the Committee held on 22 November 2012 and 17 January 2013 were agreed as a correct record and signed by the Chairman.

24 PRESENTATION ON INSURANCE CLAIMS

At the request of the Committee, the Internal Audit & Corporate Risk Manager and Insurance & Risk Manager provided an overview on the work of the Council's Insurance Team.

The Committee was informed that the council arranged a large portfolio of insurance covers protecting council assets and staff including property insurance (buildings and contents), motor, liability and other risks. The Council opted to self-fund a large deductible in respect of the major risk areas which was financially advantageous and provided greater control and incentive to improve losses. It could be viewed on the basis of a very large excess and claims within which were met by the insurance fund. Payments from the fund were made in accordance with the policy terms and conditions.

The Committee was provided with a breakdown of the type and nature of claims arising from incidents during the period 1 January 2008 to 31 December 2012 and the total cost associated with these indicated between that for the period 1 January 2008 to 31 December 2012.

Year	2008	2009	2010	2011	2012
No of claims submitted	157	228	329	257	121
No of Claims paid	33	26	39	19	1
Cost * of claims £	420,060	292,153	378,323	40,727	1,755
Closed claims	149	209	300	201	6
Closed claims repudiated	118	186	263	185	5

Members gathered that, claims made against the council were investigated by the Insurance Team within the various legal protocols and timescales that apply. The council's insurers provided a claims handling service for claims within the deductible which for public liability and employers liability claims currently stood at £156,331 but liability decisions were made in conjunction with the insurance team to prescribed limits of authority and in close liaison with the department concerned.

That the largest proportion of public liability claims arose from the council's non delegable duty as a highway authority, these included accidents on the highway and highway tree related claims.

The overall figures showed a reducing trend in the number of claims and it needed to be highlighted that the 2010 figures reflect a year with two periods of poor winter weather which had a detrimental effect on highway condition and the weather itself could prevent prompt and effective repairs being carried out.

The highway tree claim numbers had steadied largely due to the wet summers experienced. Members were informed that low rain fall and hot summers increased the number of tree related claims.

Also that liability claims are long tailed in nature and as highway claims are registered on a claim occurring basis the full picture for any one policy year did not emerge fully probably for three years. However for highway tree claims that were registered on a claims made basis, the number of claims recorded would not increase significantly and bear better comparison.

Claims arising from incidents on the highway generally range from a damaged tyre on a pothole to a personal injury claim for someone tripping on the highway with varying degrees of injury.

2010 figures reflected a year with two periods of poor winter weather which had a detrimental effect on highway condition and the weather itself can prevent prompt and effective repairs being carried out. This also included a rare high value injury claim settlement

2009 figures reflected a severe winter period suffered that year.

Under the Highways Act the council is afforded a defence to claims as long as the service can demonstrate that it had reasonable systems of maintenance and inspection in place and that these were adhered to and where it can be demonstrated that the council had done all that was reasonable and the Council could not be held to be legally liable for an accident a claim would be defended to court.

Havering had a very good success record of defending cases that were litigated, either judgement being entered in its favour at trial or cases being discontinued before trial and costs recovered.

All claims were considered on their own merits considering the legal liability issue. Even in the case of a small claim i.e. £250 vehicle pothole damage if the council had a robust defence such a claim would be defended to court and whilst in such circumstances the Council may not recover its costs it sends a strong message to claimants and solicitors that the council would always take a robust but fair line when considering legal liability issues. This had notably given LBH a reputation of being no easy touch as the service had heard from local solicitors who agree they would not chance their arm on a weak case, knowing that the council would take a consistently robust approach.

The Committee was informed that team face the following future challenges:

- That the Ministry of Justice (MOJ) was due to be implemented later this year which was to severely reduce the time in which the team had to deal with a liability claim from 90 days to 40 days. This meant there would be increased pressure on staff and resources to comply with.
- Other changes in the MOJ reforms aimed to reduce the highly disproportionate costs of third party solicitors, allowing a fixed rate where claims up to £25k were dealt with within the parameters of the claims portal which was to be introduced and also removed the right for a solicitor to receive success fees which can double the base legal costs and under current protocols routinely outweigh the damages many times. They would also no longer be able to recover the ATE insurance premium.

- There were also proposals to allow solicitors to receive a success fee from the claimant's damages and in order to offset this, there would be an automatic rise in damages of 10%.
- Also where claims were successfully defended to court, the council would no longer be able to recover costs but the potential saving outlined above more than made up for this as the council's costs were only ever a fraction of claimant's costs.

The Committee noted the presentation.

25 **STREETCARE SERVICES ENQUIRY ON CRM**

At the request of the Committee, the Head of Streetcare attended the meeting to respond to Members enquiries on the Streetcare service's performances.

The Committee was informed that every complaint logged on CRM for the service was allocated to the relevant section of Streetcare to investigate and that the head of service was able to keep track of every log.

In response to monitoring of Streetcare CRM issues, Members were informed that the relevant senior officer monitored the complaint and that the Head of service also kept track of every activity.

In response to what step does Streetcare take on receipt of service request/ CRM complaint. The Committee was informed that once the Area Liaison Officer (ALO) picked a job, a visit was arranged to assess the complaint area. Following the inspection the ALO would update the case and arrange for the repairs to be carried out. At this stage the CRM case would be closed. In order to monitor the repair job, a case file was opened on an Highways IT system which currently lacked the facility to auto respond to the complainant with an update of the job. The Committee was informed that the current Highways IT system of keeping efficient track of jobs but IT were looking at building one in to the system.

The Committee was satisfied with the responses of the Head of Streetcare.

26 **CORPORATE PERFORMANCE REPORT 2011/12 - QUARTER 2**

The Committee considered a report that set out the Council's performance against the Living Ambition Goal for the second quarter (July-September 2012).

The report before the Committee identified where the Council was performing well in (Green) and not so well in (Amber and Red). The following variance for the 'RAG' rating was:

- Red = more than 5% off the Quarter Target
- Amber = up to 5% off the Quarter Target
- Green = on or above the Quarter Target

Where performance was more than 5% off the Quarter Target and the RAG rating was 'red', a 'Corrective Action' box had been included in the report.

This highlighted what action the Council was taking to address poor performance where appropriate.

The Committee considered the following Value specific performance indicators:

- Sickness absence rate per annum per employee (days)

That work was currently taking place to identify why sickness absence had increased over the last year and this had been made a corporate priority. Once any issues or trends had been identified, actions would be put into place to address these.

- Speed of processing changes in circumstances of HB/CTB claimants (days)
- Speed of processing new HB/CTB claims (days) (NEW)

These indicators related to the Housing and Council Tax Benefit that were recession related. There had been an increase in the numbers of people claiming housing and council tax benefit which needed to be assessed because of changes in their circumstances. This increase had put substantial pressure on the staff processing these claims and some additional resources had been brought in to clear a backlog that had developed. Given the upturn in demand/activity it was anticipated that, despite the additional resources, performance would not substantially improve until Quarter 3. A review of overall demand was being undertaken as this upturn had had knock- on effects on the customer services function while it was continuing to implement the new customer services processes.

- % of Member/MP enquiries completed within 10 days
- % of corporate complaints completed within 10 days

The Corporate Policy & Community Manager informed the Committee that a large proportion of Member/MP enquiries and corporate complaints were related to Housing as a result of the benefit reforms, rather than an enquiry about the service. The CRM system is being developed to record Member/MP correspondence and the new system has the facility of email chasers to remind staff of the service level agreement target of 10 working days.

The Committee noted the report.

27 **MEMBER UPDATE**

The Committee noted the following update information all of which was in response to a Member enquiry. This included statistics that are held on CRM for each Council service and a step by step guide and presentation by the Head of service on how the system was used from an enquiry being first received until the task was completed.

Additionally, data was presented on the last 6 months statistics on StreetCare enquiries held on the system and it was clarified by officers that the performance information at the meeting was the only such information produced for Members and senior management that was sufficiently detailed for Members to scrutinise effectively.

Chairman