

STAFF REPORT

TO: Mayor and Councillors
FROM: Corporate Services Manager
DATE: 1 June 2010
SUBJECT: RCN10-06-12 New Zealand Mutual Liability Riskpool

Purpose of report

To consider a request by staff to increase the general rate for the 2010/2011 year to cover a call from Council's professional and public liability providers New Zealand Mutual Liability Riskpool (Riskpool).

Background

Riskpool commenced in 1997 as a mutual liability fund owned by Local Government. The objective of the fund was to provide long term, affordable legal professional indemnity and public liability protection. From 2002 onwards Riskpool incurred significant claims as a result of the weather tightness issue and due to a shortfall in the fund has had to make a call on members. Riskpool has indicated that calls are expected for a further two years and will then cease.

Discussion

In my October 2009 report I advised that Riskpool would be making a call on its members and a sum of \$35,000 funded from the general rate to cover this call was placed in the draft 2010/2011 annual plan. Unfortunately the call will now be \$72,232 meaning that an additional \$37,232 is required.

Options

Options are limited as being a member of Riskpool means that calls must be paid.

Significance

This report is not considered significant in accordance with Council's significance policy

Recommendation

That an additional sum of \$37,232 funded from the general rate be included in the final 2010/2011 annual plan to cover the call from Riskpool.

Murray Staite
Corporate Services Manager