

## INSURANCE TENDER

<b>Cabinet</b>	29 July 2021
<b>Report Author</b>	Chris Blundell, Director Of Finance
<b>Portfolio Holder</b>	Councillor David Saunders, Cabinet Member for Finance
<b>Status</b>	For Decision and or For Recommendation
<b>Classification:</b>	Unrestricted
<b>Key Decision</b>	Yes
<b>Reasons for Key</b>	An executive decision that involves expenditure over £750k
<b>Ward:</b>	All

### Executive Summary:

This report seeks authority for the Council to enter into a new contract for insurances that is within the approved budget.

The Council is required to ensure best value for money when procuring its contracts and as such the Council is required to re-procure its insurance contract before the insurance renewal date of January 2022.

The value of the estimated contract is detailed in the report and exceeds £750k.

### Recommendation(s):

Cabinet is asked to agree to letting of the contract for insurance services as laid out in the report.

### Corporate Implications

#### Financial and Value for Money

The contract is estimated to cost £9.657m over the 7 year term and that is forecast to cover the estimated amount of the contract/s over the full 5 years + 2 year extension period. This level of forecast expenditure can be met from existing approved budgets.

The Council will separate the tender into different lots to ensure that expertise and value for money can be achieved for each element, for example such as motor insurance. Although there is the possibility that one insurer could tender for multiple or all lots.

#### Legal

It is important that the Council maintains insurance cover to transfer risk, both financial and legal on to a third party.

Procurement of the contract will be in accordance with the Council's CSOs and will ensure that value for money is maintained.

## **Corporate**

The Council has an adopted Risk Management Strategy that assists in the management of Corporate Risks, the provision of insurance services allows the Council to mitigate many corporate risks through transferring of the risk to the procured insurer.

## **Equality Act 2010 & Public Sector Equality Duty**

*Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.*

*Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.*

This report relates to the following aim of the equality duty: -

- *To eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.*
- *To advance equality of opportunity between people who share a protected characteristic and people who do not share it*
- *To foster good relations between people who share a protected characteristic and people who do not share it.*

*The required service to be procured will protect the Council and will ensure that financial interests of the Council and taxpayers are protected.*

## CORPORATE PRIORITIES

This report relates to the following corporate priorities: -

- *Growth*
- *Environment*
- *Communities*

### 1.0 Introduction and Background

- 1.1 The Council's current insurance contract comes to an end at the end of December 2021 and requires reprocurring to ensure ongoing value for money.
- 1.2 The Council currently maintains insurance cover with a number of different insurers and selects the best insurer for each element of insurance, such as motor.
- 1.3 Insurance cover is vitally important to ensure the transfer of risk in the delivery of all services from the Council to the insurer and to maintain correct cover is therefore essential for their delivery.
- 1.4 Cabinet approval of key decisions are required for any expenditure that is for a contract over a number of years with an expected value in excess of £750k.
- 1.5 The letting of a contract for insurance services is therefore considered a key decision.

### 2.0 Options

- 2.1 Only two options have been considered.
  - To procure a new contract for insurances, with the objective of securing best value for money for the Council.
  - To not procure a the new contract, which could mean increased costs to remain with the current insurer and potential challenge from other insurers in the market.
- 2.2 To not maintain cover is not deemed to be an option given the risk this would pose to delivery of services and the increased risk exposure for the Council.

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