

Officer Decision Making Resources and Workforce Planning Portfolio

Tuesday, 9th March, 2010
at 9.00 am

PLEASE NOTE TIME OF MEETING

Office of the Executive Director of
Resources

This meeting is not open to the public

Members

Executive Director of Resources –
Carolyn Williamson

Contacts

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AGENDA

Agendas and papers are now available via the Council's website

1 EXCLUSION OF THE PRESS AND PUBLIC - CONFIDENTIAL PAPERS INCLUDED IN THE FOLLOWING ITEM

To move that in accordance with the Council's Constitution, specifically the Access to Information procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the confidential appendix to item no: 2

Appendix 1 is not for publication by virtue of Category 3 of Paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution. It is not in the public interest to disclose this information because the appendix contains confidential and commercially sensitive information which impact on the integrity of a commercial procurement process and the Council's ability to achieve 'Best Value' in line with its statutory duties.

2 AWARD OF INSURANCE CONTRACT

Report of the Risk and Assurance Manager, seeking approval to enter into a corporate insurance programme, attached.

MONDAY, 1 MARCH 2010

SOLICITOR TO THE COUNCIL

Agenda Item 2

ITEM NO:2

DECISION-MAKER:	EXECUTIVE DIRECTOR OF RESOURCES		
SUBJECT:	AWARD OF INSURANCE CONTRACT		
DATE OF DECISION:	9 MARCH 2010		
REPORT OF:	RISK AND ASSURANCE MANAGER		
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STATEMENT OF CONFIDENTIALITY

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SUMMARY

The Council's current corporate insurance programme expires on 31st March 2010 and it is therefore necessary to have a new programme in place with effect from 1st April 2010.

An OJEU compliant competitive tender exercise has therefore been undertaken in order to identify an appropriate new insurance programme.

RECOMMENDATIONS:

- (i) To approve the placement of the corporate insurance programme via a composite package comprising a number of different suppliers (as detailed in Confidential Appendix 1);
- (ii) To approve a 5 year agreement;
- (iii) To approve the higher deductibles (excesses) in respect of Liability and Property claims.

REASONS FOR REPORT RECOMMENDATIONS

1. The placing of cover with a number of insurance providers will result in a reduction in the overall insurance premium spend noting that the holding insurer was not prepared to allow their package of covers to be split.
2. The new programme includes all major extensions to cover in addition to including additional benefits and some cover restrictions. Whilst the placing of cover with one insurer can reduce the risk of gaps or overlaps in the programme the comprehensive market presentation document and robust evaluation process has served to reduce this risk
3. A 5 year agreement secures additional savings and introduces an element of stability in terms of future costs. In addition, the Council's appointed insurance broker (Marsh) believes that rates may start to rise shortly and that the well publicised issues within financial markets globally will, at some point, impact on reinsurance and general insurance markets forcing rates up.

4. The acceptance of higher excesses in respect of Liability and Property claims will create an additional potential demand on the internal insurance fund however, based on loss history, it is considered that this will be able to be accommodated within current self insurance arrangements.

CONSULTATION

5. The procurement process has been undertaken in consultation with officers from both Procurement and Legal Services together with the Council's appointed insurance broker (Marsh).

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. There is no provision within the current arrangement for the contract to be extended.
7. It is not considered reasonable for the Council to proceed without having an appropriate insurance programme in place in order to protect the Council's financial exposure.

DETAIL

8. The corporate insurance programme comprises a range of insurance covers (including property, motor and liability) that are put in place on behalf of the corporate body.
9. The current corporate insurance programme expires on 31st March 2010 and it was necessary to have a new programme in place with effect from 1st April 2010. The timing of the decision reflects the need to allow sufficient time for contracts to be formed and for operational arrangements to be agreed
10. The proposed new insurance programme is to be placed with a variety of insurance providers (a composite programme). Previously the package was placed with a single supplier however it should be noted that the holding insurer was only prepared to write cover on a package basis
11. The providers were selected following an OJEU compliant procurement process undertaken in consultation with Council's appointed insurance broker. The structure of the programme was reviewed as part of the tender preparation process to ensure that it was aligned with current and future business needs.
12. The response from the market was in line with expectations and a robust evaluation of the responses was undertaken with tenders evaluated on the basis of price and quality.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

13. None

Revenue

14. None

Property

15. None

Other

16. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

17. The Audit Commission Act 1998 and the Accounts and Audit Regulations 2003 require the Council to adopt Good Governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those responsibilities.

Other Legal Implications:

18. None

POLICY FRAMEWORK IMPLICATIONS

19. None

SUPPORTING DOCUMENTATION

Appendices

1.	Premium Summary and Additional Notes – CONFIDENTIAL NOT FOR PUBLICATION
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Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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Background documents available for inspection at: N/A

KEY DECISION? YES

WARDS/COMMUNITIES AFFECTED:	NONE
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Document is Confidential

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