

**NORTH LINCOLNSHIRE COUNCIL
OFFICER DECISION NOTICE AND RECORD
(PUBLISHED)**

1. DECISION TAKEN			
To approve going to tender for insurance service contracts			
EXECUTIVE	x	NON-EXECUTIVE	(Please tick either)
IS THIS A 'KEY DECISION' ? (see definition overleaf)			Yes
DOES THIS DECISION RELATE TO EXEMPT INFORMATION?			No
EXEMPT PARAGRAPH REFERENCE (NOT TO BE PUBLISHED)			

2. OFFICER DECISION TAKER	NAME Becky McIntyre POSITION/POST Director of Governance and Partnerships SIGNATURE <i>BMcIntyre</i> DATE 5/6/17.
3. REASONS FOR THE DECISION (Please ref to any report/minute/background documents attached)	<p>The Constitution 'Delegation to Officers and Appointments of Proper Officers' sets out in para 7.7 delegations in regard to insurance arrangements.</p> <p>The Council needs to retender for its insurance cover as the current contracts have almost run their full term and cannot be extended further. They are due to end on 30 September 2017.</p> <p>To ensure an effective procurement process it is important that the tender process starts now. It is proposed that we use the Insurance Services II framework, an approved public sector framework, to help the process reach a timely award decision.</p> <p>The attached report sets out the categories of insurance cover and the process to be followed.</p>
4. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED (BY DECISION TAKER(S))	<p>The council has a duty to ensure it manages its financial risks and that includes making appropriate insurance arrangements.</p> <p>Self-insurance can be an option in some circumstances, but it is not a practical option for this council. The balance of risk carried by the council will be determined through the levels of excess agreed for the individual policies.</p>
<p><i>TO BE COMPLETED BELOW - ONLY WHEN A DELEGATED OFFICER DECISION REQUIRES PRIOR CONSULTATION WITH A MEMBER (LEADER OF THE COUNCIL, CABINET MEMBER/CHAIRMAN OF A COMMITTEE) IN ACCORDANCE WITH THE 'SCHEME OF DELEGATIONS TO OFFICERS' OR DECISION/MINUTE OF COUNCIL/COMMITTEE OR DECISION/MINUTE OF CABINET/CABINET MEMBER.</i></p>	
5. DECISION REQUIRED TO BE TAKEN IN CONSULTATION WITH RELEVANT MEMBER	COUNCILLOR POSITION SIGNATURE

	DATE
<p>6. ANY CONFLICT OF INTEREST DECLARED BY ANY EXECUTIVE (CABINET) MEMBER (S) CONSULTED, WHICH RELATES TO THE DECISION, OR (NON-EXECUTIVE) – ANY MEMBER OF THE COMMITTEE THAT DELEGATED THE DECISION TAKEN</p>	
<p>7. WITH REFERENCE TO 6. ABOVE - HAS ANY DISPENSATION BEEN GRANTED TO THE EXECUTIVE (CABINET) MEMBER? (ONLY APPLIES TO EXECUTIVE)</p>	

PLEASE REMEMBER TO ATTACH ANY ACCOMPANYING REPORT.

WHEN COMPLETE, PLEASE SEND TO HEAD OF DEMOCRATIC SERVICES, CIVIC CENTRE, SCUNTHORPE FOR PUBLISHING.

(The definitions of a key decision are when an executive decision is likely -

(i) to result in the Council incurring expenditure or the making of savings (including the receipt or loss of income) over £350,000 in any one financial year; or

(ii) to be significant in terms of its effect on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority).

NORTH LINCOLNSHIRE COUNCIL

DIRECTOR OF GOVERNANCE AND PARTNERSHIPS

PROCUREMENT OF INSURANCE SERVICES

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To seek approval to tender for insurance service contracts.
- 1.2 The key point of this report is that the Council's current insurance contracts are due to end on the 30th September 2017, therefore new contracts need to be in place from 1st October.

2. BACKGROUND INFORMATION

- 2.1 The Council's insurance contracts provide protection to the council for the following main risks:

Liability This indemnifies the council in respect of claims from the public or employees for injury or other loss.

Property This covers damage to buildings and contents and extends to items such as IT servers and art collections.

Motor This operates in relation to own and hired in vehicles to cover statutory road traffic risks and accidental damage to our own/hired in fleet.

Crime This is in place to cover fraud by employees and third parties.

Personal Accident Cover This covers employees, members, volunteers and school pupils if they suffer permanent disability while engaged in their activities.

Engineering Inspection Contract This provides for the independent statutory inspection of lifting equipment and pressure systems.

2.2 The Councils current Insurance Service contracts are provided by:

- Zurich Municipal (Liability, Fraud and Motor Fleet)
- AIG via Risk Management Partners (Property)
- Thistle (Terrorism)
- AIG via Risk Management Partners (Personal Accident)
- AXA (Fine Arts)
- HSB (Engineering/Contractor All Risks/ Computer)

2.3 These are all due to end on the 30th September 2017, and there are no remaining extension periods available.

2.4 A project approach has been adopted for the procurement process to ensure that the tender will meet requirements based on the council's risk profile and claims history and will be compliant with the Insurance Act 2015.

2.5 The

3. **OPTIONS FOR CONSIDERATION**

3.1 To tender for Insurance Services Contracts via a framework agreement.

4. **ANALYSIS OF OPTIONS**

4.1 Making use of a framework agreement will allow the procurement process to be commenced, and for a speedy award decision to be made. This will allow time to complete the procurement and implement the replacement contracts for the 1st October 2017.

4.2 The procurement process will comply with the requirements of the contract procedure rules and Public Contracts Regulations, and a further competition will be run under the Insurance Services II (RM3731) framework.

4.3 The framework was created through a collaboration between public sector procurement bodies including CCS, YPO, ESPO and NEPO, and complies with EU procurement legislation. It allows the Council to save time by not having to conduct a full OJEU procurement, and provides access to call-off contracts which all suppliers on the framework have signed up to.

5. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1 The Council's annual budget for the procurement of the Insurance Services contracts is £1.2m.

6. **OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

6.1 No issues were identified from the integrated impact assessment

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.1 During the review of the Council's risk profile and claims history, and to help inform development of the market presentation and risk analysis, consultation has been undertaken with external insurance brokers and relevant council service leads.

8. RECOMMENDATIONS

8.1 To approve going to tender for insurance service contracts

8.2 That the contract award is carried out in accordance with the Contract Procedure Rules

HEAD OF FINANCIAL SERVICES

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Date: 23 May 2017