

Forward Plan reference number: FP/456/06/19

Report title: Approval to Procure Insurance Policies	
Report to: Councillor Gagan Mohindra, Cabinet Member for Finance, Property and Housing	
Report author: Paul Turner, Director, Legal and Assurance	
Date: 16 July 2019	For: Decision
Enquiries to: Karen Gooch, Risk & Insurance Manager	
County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 The Council's insurance policies for Property, General Fleet and Schools Offsite Travel (OSAC) are due to expire on 30 March 2020. The Council is required to undertake a tender exercise for these policies as the value for all 3 policies over a 5-year Long Term Agreement (LTA) is expected to be at least £2m.

2. Recommendations

- 2.1 Agree to undertake a procurement for a long term agreement for Property, General Fleet and OSAC insurance policies.
- 2.2 Agree that the agreement will be for a term of 3 +2 years.
- 2.3 Agree to delegate award of the contract to the Executive Director for Corporate and Customer Services.

3. Summary of issue

- 3.1 The council purchases property insurance for 316 school sites and 222 non-school sites. This is on a reinstatement basis, which means the insurers will replace any property damaged at the current replacement cost, and covers buildings, contents, computer equipment and business interruption. Details of the current arrangements are:

Current Insurer	Contract Start Date	2019/20 Premium	Deductible
Travelers	31 March 2015	£353,964	£500,000

- 3.2 The council purchases comprehensive motor cover for the General Fleet. This comprises of 148 fleet vehicles, 32 school minibuses and 9 tractors. Details of the current arrangements are:

Current Insurer	Contract Start Date	2019/20 Premium	Deductible
Travelers	31 March 2015	£34,716	£25,000

- 3.3 The OSAC policy covers all authorised personnel on official school trips for Personal Accident and Travel insurance. This is purchased for all 273 maintained schools.

Current Insurer	Contract Start Date	2019/20 Premium	Deductible
AIG	31 March 2010	£14,504	N/a

- 3.4 The current arrangements all expire on 30 March 2020 and we need to make new arrangements for insurance after that date. Schools where ECC is the employer are required to purchase the insurance and many others who are not required to purchase the insurance via ECC choose to do so.

4. Options

- 4.1 Do nothing. This is not a viable option as the Council must have adequate insurance cover in place for schools.
- 4.2 Extend current insurance cover arrangements. This is not an option as the Council need to comply with procurement and financial regulations and ensure value for money.
- 4.3 Re-tender. This is the recommended option which means the Council will comply with procurement and financial regulations.

5 Financial implications

- 5.1 ECC currently spends £403,000 per year on these insurance premiums (£2.02m over a five-year period).
- 5.2 The 2019/20 budget that covers these insurance premiums is £1m, this also funds other insurance costs and the spend is currently contained within this budget.
- 5.3 It is currently assumed in the Medium-Term Resource Strategy that insurance costs will only increase by inflation. Should the outcome of the re-tender result in costs greater than budget this will create a pressure which will need to be contained by the service.

6 Legal implications

- 6.1 The Council is required to have in place adequate insurance provisions. In identifying the most appropriate service provider, the council must ensure that

the contracts are awarded in accordance with EU procurement rules and UK legislation. Ensuring that a robust process has been undertaken will seek to reduce the risk of challenge from an unsuccessful bidder.

7. Equality and Diversity implications

- 7.1 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8. List of appendices

EQIA

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Gagan Mohindra, Cabinet Member for Finance, Property and Housing	02 September 2019

In consultation with:

Role	Date
Executive Director for Corporate and Customer Services Margaret Lee	15 August 2019
Executive Director for Finance and Technology (S151 Officer) <i>Please send to your Head of Finance/Finance Business Partner who will arrange S151 sign off.</i> Nicole Wood	13 August 2019
Director, Legal and Assurance (Monitoring Officer) Paul Turner	16 July 2019