

**Forward Plan reference number:** FP/114/07/21

<b>Report title:</b> Approval to Procure Insurance Policies	
<b>Report to:</b> Councillor Christopher Whitbread - Cabinet Member for Finance, Resources and Corporate Affairs	
<b>Report author:</b> Paul Turner, Director, Legal and Assurance	
<b>Date:</b> 10 August 2021	<b>For:</b> Decision
<b>Enquiries to:</b> Karen Gooch, Risk and Insurance Manager email karen.gooch@essex.gov.uk	
<b>County Divisions affected:</b> All Essex	

## 1. Purpose of Report

- 1.1 The Council's insurance policies for Employers Liability, Public Liability, Professional Indemnity, Libel and Slander and Officials' Indemnity are due to expire on 30 March 2022. The Council is required to undertake a tender exercise for these policies as the value for all policies over a 5 year Long Term Agreement (LTA) is expected to be approximately £2.1m

## 2. Recommendations

- 2.1 Agree to undertake a procurement for a Long Term Agreement for the Liability policies as set out in this report using the open procedure.
- 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 Services.

## 3. Summary of issue

- 3.1 The council purchases liability insurances for maintained schools and ECC services. Details of the current arrangements are:

Current Insurer	Contract Start Date	Policy	Deductible	Limit of Indemnity
Aspen	31 March 2017	Employers Liability	£1.2m	£25m
Aspen	31 March 2017	Public Liability	£1.5m	£25m
Aspen	31 March 2017	Professional Indemnity	£5m	£10m
Aspen	31 March 2017	Libel and Slander	£5m	£10m

Aspen	31 March 2017	Officials Indemnity	£5m	£10m
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- 3.2 The total premium for 2021/2022 was £397,600 including Insurance Premium Tax.
- 3.3 The current arrangements expire on 30 March 2022 and we need to make new arrangements for insurance after that date.

#### **4. Options**

- 4.1 Do nothing. This is not a viable option as the Council must have adequate insurance cover in place.
- 4.2 Extend current insurance cover arrangements. This is not an option as the current contracts do not provide for any further extensions and a direct award to the current supplier without going to market means that the council is unlikely to be able to demonstrate compliance with the Public Contracts Regulations or ensure value for money without a competitive process.
- 4.3 Re-tender. This is the recommended option which means the Council will comply with procurement and financial regulations and be able to demonstrate that its insurance arrangements are the best value available.

#### **5 Financial implications**

- 5.1 ECC currently spends £397,600 per year on these insurance premiums (circa £2.1m over a five-year period assuming annual inflationary uplifts).
- 5.2 The 2021/22 budget that covers these insurance premiums is **£461,000**, this also funds other insurance costs and the spend is currently contained within this budget.
- 5.3 The Medium-Term Resource Strategy currently assumes that insurance costs will only increase by inflation and it is not expected that the re-tender will result in costs greater than this. However should the outcome result in costs higher than budget this will create a pressure which will need to be addressed.

#### **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**

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<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor Christopher Whitbread, Cabinet Member for Finance, Resources and Corporate Affairs</b>	<b>10 Sept 2021</b>

**In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Executive Director, Corporate Services (S151 Officer)</b>	<b>3 September 2021</b>
<b>Nicole Wood</b>	
<b>Director, Legal and Assurance (Monitoring Officer)</b>	<b>16 August 2021</b>
<b>Paul Turner</b>	