

Report to: Executive Board 17<sup>th</sup> June 2002

**Insurance Programme**

<p><b>Report of: Internal Audit Business Manager</b></p> <p><b>Report Author:</b> Richard Josephs Internal Audit Business Manager Tel: 01865 252789</p> <p><b>Lead Member</b> <b>Responsible:</b> Cllr. Hollingsworth</p> <p><b>Overview and Scrutiny</b> <b>Committee</b> Finance and Performance <b>Responsibility:</b> Management</p> <p><b>Key Decision:</b> Yes</p>	<p><b>WARDS AFFECTED</b> All</p>
<p><b>Summary and Recommendations</b></p> <p>This report outlines proposed arrangements for the renewal of the majority of the Council's insurance programme. The total value of these insurance policies is approximately £360,000.</p> <p>The Council's current insurers have recently signalled their intention to increase above the rate of inflation the cost of insurance provided under the current contract. The contract allows the authority to seek alternative insurance provision in such circumstances. It is therefore proposed that the Council's insurance requirements are tendered to ensure that premiums remain competitive. Due to the nature of the service to be provided and the risks attaching thereto, it is appropriate to utilise the Negotiated Procedure of the EU Public Services Procurement directive.</p> <p>A decision is required at this meeting in order to allow sufficient time for consultation with business managers and for negotiation with potential insurance providers.</p> <p><b>Recommendations</b> The Executive Board is ASKED to agree that:</p> <ul style="list-style-type: none"> <li>i. offers be sought for the provision of the Council's insurance cover;</li> <li>ii. the EU Negotiated Procedure be used in the procurement exercise;</li> </ul>	

1. The Council entered into a five year contract with insurers in October 1998. Premiums are charged annually and, under the terms of the

contract, the Council is free to re-tender if the insurer increases premium levels above the rate of inflation. The insurer has recently advised that premiums will increase significantly above inflation across most of the insurance policies from October 2002.

2. The policies affected are Buildings, Employers Liability, Public Liability, Officials Indemnity, Libel and Slander and Motor. The total value of these policies is approximately £360,000.
3. It is proposed that offers are invited for the provision of this insurance utilising the Negotiated Procedure Rules of the EC Public Services Directive. This is because of the nature of the services to be provided, the risks attaching thereto and the fact that contract specifications cannot be established with sufficient precision to enable fixed pricing of tenders in accordance with open or restricted procedures.
4. There are no staffing implications in respect of this report
5. Business Managers will be consulted on the scope and level of the insurance required in respect of their Units' activities during this process.
6. A decision must be taken at this meeting in order to allow sufficient time for the necessary consultation and negotiation.
7. A further report on progress will be brought to a future meeting of the Executive Board detailing the available options and recommending a suitable option or options for approval.

THIS REPORT HAS BEEN SEEN AND APPROVED BY:

Cllr. Hollingsworth, Leader of the Council  
Mark Luntley, Director of Finance and Corporate Services  
Lindsay Johnston, Legal Services

Background Documents: None