

# Portfolio Holder Decisions/Leader Decisions

Date: Thursday 20 October 2022  
Time: 12.00 pm

## Membership

Councillor Isobel Seccombe OBE

Items on the agenda: -

### 1. Insurance Tender 2023-2030

3 - 6

**Monica Fogarty**  
Chief Executive  
Warwickshire County Council  
Shire Hall, Warwick

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## Portfolio Holder Decision Insurance Tender 2023-2030

<b>Portfolio Holder</b>	<b>Leader of the Council</b>
<b>Date of decision</b>	<b>20 October 2022</b>
	<b>Signed</b>

### 1. Decision taken

- 1.1 The Leader authorises the Strategic Director for Resources in consultation with the Portfolio Holder for Finance and Property to commence a procurement process for the Council's external insurance programme, which expires 31 March 2023, and
- 1.2 authorises the Strategic Director for Resources to enter into all relevant contracts on terms and conditions acceptable to him

### 2. Reasons for decisions

- 2.1 The Council's external insurance policies renew annually but are subject to Long Term Agreements (LTAs) with insurers to set the framework in which the annual renewals are made. The previous LTAs expired 31 March 2021 and there was a requirement to retender the programme in accordance with EU regulations.
- 2.2 Retender of the insurance programme was scheduled for 2020 but was postponed due to late interest in the LGA Mutual, which would not provide quotations in parallel with a full tender. In the end, the LGA Mutual withdrew from any process with us due to a lack of reinsurance facilities. Their late withdrawal did not leave enough time to recommence the tender exercise.
- 2.3 The decision was made to postpone the tender for a further year (in agreement with current insurers), because market conditions would have been disadvantageous to the Council to push forward with the retender of the LTA at that time. Appropriate exemptions were sought and agreed in order to allow the existing arrangements to be extended to the end of March 2023.
- 2.4 Ensuring the Council has appropriate insurance cover is a critical requirement, so it is important we know progress the retender of the LTA, in order for it to be in place from the 1 April 2023. Under the Council's Contract Standing Orders (CSOs), this contract is classed as a Major Contract and the key decision to start the tender process is to be made by Cabinet or Leader.

### 3. Background information

3.1 The intention is to invite tenders on the basis of a 3 year LTA with optional 2 + 2 year extensions. The initial 3 year period will provide the Council with the benefit of premium consistency at a time the property insurance market is still hardening, but not tie the Council in to hard rates for an extended period. The optional extensions will give the Council flexibility to maintain those premiums dependent on market conditions at the time.

3.2 The proposed timetable for the key stages of the tender is as follows:

28 October 2022	Estimated Publication on In-Tend (CSW Jets)
14 November 2022	Deadline for clarification requests
5 December 2022	Deadline for tender returns
14 February 2023	Confirm award
1 April 2023	Commencement of contract(s)

3.3 This will be an Above-Threshold Find a Tender Service (FTS) Open Tender where all relevant Notices will be published. This will be advertised and administered on In-Tend (CSW Jets) as detailed above.

3.4 The tender will be issued in lots based on heads of cover (e.g. property, liability, motor, etc), in such a format that specialist insurers will not be precluded from the process, coverage will not be compromised and multi-section discounts will be encouraged where appropriate.

3.5 The tender evaluation scoring will have regard to key factors including integrity of cover and premium costs.

### 4. Financial implications

4.1 In return for committing to an LTA, the Council benefits from not being required to retender each year, a discount in premiums (currently 10% in respect of the material damage and casualty risks and 5% in respect of the motor fleet risks) and continuity of premiums and terms. The Council would be released from its obligations to renew under the terms of the LTA should the insurer materially amend its premiums or terms at any stage during the LTA period.

4.2 The current insurance programme was effective from 1 April 2014. The current insurers are:

- AIG (UK) via Risk Management Partners for the material damage risks; and
- Zurich Municipal for the casualty (liability, officials' indemnity and professional indemnity) and motor fleet risks.

4.3 The total external insurance premiums for the period 1 April 2022 to 31 March 2023 are £1.720m, inclusive of Insurance Premium Tax (IPT) where applicable.

4.4 It is difficult anticipate likely premium outcome of the tender, but this will be a major contract as per 2.4 above.

## 5. Environmental implications

5.1 None

<b>Report Author</b>	Helen Barnsley, Roger Linney, Thomas Richman helenbarnsley@warwickshire.gov.uk, rogerlinney@warwickshire.gov.uk, thomasrichman@warwickshire.gov.uk,
<b>Assistant Director</b>	Andrew Felton Assistant Director - Finance
<b>Strategic Director</b>	Rob Powell Strategic Director for Resources
<b>Portfolio Holder</b>	Cllr Izzy Seccombe

<b>Urgent matter?</b>	No
<b>Confidential or exempt?</b>	No
<b>Is the decision contrary to the budget and policy framework?</b>	No

## List of background papers

None

## Members and officers consulted and informed

Portfolio Holder – Councillor Seccombe (Leader)

Corporate Board – Rob Powell

Legal –Nichola Vine

Finance – Andrew Felton

Democratic Services – Helen Barnsley

Councillors – Warwick, Birdi, Boad and Roberts

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