

Report to CABINET

Insurance Tender Process and Award of Contract Report

Portfolio Holder:

Councillor Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources

Officer Contact:

Sarah Johnston, Director of Finance

Report Author:

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Date: 26th February 2024

Reason for Decision

Oldham Council and its current insurers have been subject to a long-term agreement in respect of property, terrorism, motor, fine art, and other ancillary policies which commenced in April 2019 for 5 years. Liability insurance is subject to a separate insurance agreement which concludes in 2026.

The report seeks delegated authority to finalise the property insurance tender for the Council and for the award of the insurance contracts that are due to commence on the 1 April 2024.

Recommendations

1. To approve the tender award of contracts to the most advantageous tenderer based on the tender criteria.
2. To delegate authority to the Director of Finance in consultation with the Cabinet Member for Finance and Resources to award the contracts following the tender, subject to compliance with the Contract Procedure Rules.
3. Delegate authority to the Director of Legal Services or nominee to carry out all legal formalities.

Insurance Tender Process and Award of Contract

1 Background

- 1.1 The Council's insurance programme is designed to protect its financial position in respect of losses it may suffer when undertaking the diverse nature of activities required to meet statutory duties, general business functions and income generating operations.
- 1.2 The current programme is held under a 5 year Long Term Agreement. This agreement ends on the 31 March 2024.

2. Current Position

2.1 The objectives of the tender are to:

- Provide financial certainty in relation to the Council's maximum exposure to individual high value claims and the overall cost of claims in any one year.
- Provide financial certainty for claims that have incurred but may not be reported for many years in the future.
- Comply with the Contract Procedure Rules entered into by the Council. It should be noted that in the absence of an appropriate insurance programme, the Council will be at risk of significant financial loss.

3 Options/Alternatives

- 3.1 Option 1 / Recommended Option: Cabinet accepts the decision to award contract(s) for insurance to the most advantageous bidder(s) in terms of costs and quality and delegate this decision to the Director of Finance in consultation with the Cabinet Member for Finance and Resources.
- 3.2 Option 2: Cabinet does not agree to award a contract for insurance and self insure the total cost of risk without the benefit of an insurance policy. The disadvantage of this option is that the Council does not have any financial certainty in the event of large claims which may occur during the 5 year period.

4 Preferred Option

- 4.1 Option 1 / Recommended Option: Cabinet agrees to award the contract(s) for insurance to the most advantageous bidder(s) in terms of costs and quality and delegate this decision to the Director of Finance in consultation with the Cabinet Member for Finance and Resources.

5 Consultation

- 5.1 Detailed in the Part B report

6 Financial Implications

- 6.1 Detailed in the Part B report

7 Legal Implications

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- 7.1 Detailed in the Part B report.
- 8 **Co-operative Implications**
- 8.1 Detailed in the Part B report.
- 9 **Human Resource Implications**
- 9.1 Detailed in the Part B report.
- 10 **Risk Assessment**
- 10.1 Detailed in the Part B report
- 11 **IT Implications**
- 11.1 Detailed in the Part B report
- 12 **Property Implications**
- 12.1 Detailed in the Part B report
- 13 **Procurement Implications**
- 13.1 Detailed in the Part B report
- 14 **Environmental and Health & Safety Implications**
- 14.1 Detailed in the Part B report
- 15 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**
- 15.1 Detailed in the Part B report
- 16 **Equality Impact Assessment, including implications for Children and Young People**
- 16.1 Detailed in the Part B report
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 FCR-01-24
- 19 **Background Papers**
- 19.1 None
- 20 **Appendices**
- 20.1 None
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