

Report to the Cabinet

Report reference: C-012-2021/22

**Date of meeting: 13 September
2021**

Portfolio: Cllr Sunger – Corporate Services

Subject: Insurance Tender - July 2022

Responsible Officer: Andrew Small Strategic Director/S151 Officer (01992 564278).

Democratic Services: Adrian Hendry (01992 564246).



**Epping Forest
District Council**

Recommendations for Cabinet:

- (1) To approve the procurement and re-tender of the Council's insurance contracts on a three-year long-term agreement (LTA) with the option of extending for a further two years to be effective from 1st July 2022; and**
- (2) To approve delegation of the contract decision and final award of contract to the Strategic Director/S151 Officer.**

Executive Summary:

Obtaining insurance from the insurance market is part of the risk transfer mechanism in risk management. The Council has a range of insurance policies that provide financial protection against insurable risks. The classes of business include public liability, employers liability, motor fleet, property and engineering along with a number of miscellaneous covers.

The Council's insurance programme was last tendered in July 2015 on a five-year long-term agreement (LTA) with the option to extend for a further two years. The current arrangement will expire 30 June 2022. Owing to the value of this contract which currently stands at approximately £900,000 p.a there is a requirement to undertake a full Tender exercise on the open market to ensure we obtain the most comparatively advantageous terms. It is recommended that we tender for a three-year long-term agreement (LTA) with the option of extending for a further two years.

The current insurance policies are provided by Zurich Municipal Insurance through a package arrangement. The only exception being the airside liability cover which has been placed with Global Space.

There are other providers in the market who specialise in Public Sector risks and who will find EFDC an attractive proposition, thus providing competitive challenge to Zurich Municipal rates currently being charged.

Reasons for Proposed Decision:

The current insurance arrangements expire on the 30 June 2022 creating a need to re-tender the Council's insurance programme to ensure we are achieving value for money and to comply with the Procurement rules owing to the significant expenditure involved. Failure to ensure that insurable risks are insured with external providers would expose the Council to significant financial risk.

Cabinet approval is required as this is a key decision.

Other Options for Action:

The Council's current insurance policies cease in June 2022 and there are no other options but to re-tender the Council's insurance programme.

Report:

1. Key background:

- 1.1 As part of risk management an important element is the transfer of risk to external insurers. The Council has a range of insurance policies that provide financial protection against insurable risks. The classes of business include public liability, employer's liability, motor fleet, property and engineering along with a number of miscellaneous covers.
- 1.2 The Council's insurance programme was last tendered in July 2015 on a five-year long-term agreement (LTA) with the option to extend for a further two years. The current arrangement will expire on the 30 June 2022.
- 1.3 The current insurance policies are provided by Zurich Municipal Insurance through a package arrangement. The only exception to this is the airside liability cover which has been placed with Global Space.

2. The Proposal:

- 2.1 The proposals included within this report relate to the main package policy arrangements currently in place with Zurich Municipal Insurance and the airside liability cover.
- 2.2 Owing to the value of this contract which currently stands at approximately £900,000 p.a there is a requirement to undertake a full Tender exercise on the open market to ensure we obtain the most comparatively advantageous terms. It is recommended that we Tender for a three-year long-term agreement (LTA) with the option of extending for a further two years.
- 2.3 When re-tendering the contracts, it is proposed that quotations will be invited on a range of terms that can be compared to ensure that maximum value for money can be achieved. Currently the Council insures with very low excess limits relying solely on external insurance provision, which is the most expensive arrangement. Quotations will be considered both in terms of extent of insurance coverage being sought along with higher excess limits introducing a low level of self - insurance to ensure best value for money is achieved whilst maintaining appropriate financial protection for the Council.

- 2.4 The Council will use the services of our appointed insurance brokers, A J Gallagher to provide specialist advice and assistance through-out the re-tendering process to ensure that the most appropriate quotation options are included. The broker will also be undertaking the evaluation of the Tenders along with the Council procurement team and insurance specialist.

Resource Implications:

The Council have allowed for external insurance premiums within the budget process.

Legal and Governance Implications:

Procurement will be working with the external insurance brokers to ensure compliance is maintained for an advantageous competitive Tender.

Safer, Cleaner and Greener Implications:

Not applicable

Consultation Undertaken:

Not applicable

Background Papers:

None

Risk Management:

Insurance is a key transfer mechanism which forms part of the Council Risk Management considerations. If insurance is not placed externally with insurers this would put the Council at significant financial risk.

Equality Impact Assessment:

An Equality Impact Assessment is not required as the Council regards within the Public Sector Equality Duty do not apply to this decision.

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty

- Factsheet 5: Frequently asked questions
- Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details
Your function, service area and team:
If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team:
Title of policy or decision:
Officer completing the EqlA: Tel: Email:
Date of completing the assessment:

Section 2: Policy to be analysed	
2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project?
2.2	Describe the main aims, objectives and purpose of the policy (or decision): What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none"> ● service users ● employees ● the wider community or groups of people, particularly where there are areas of known inequalities? Will the policy or decision influence how organisations operate?
2.4	Will the policy or decision involve substantial changes in resources?

2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified?
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age		
Disability		
Gender		
Gender reassignment		
Marriage/civil partnership		
Pregnancy/maternity		
Race		
Religion/belief		
Sexual orientation		

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input type="checkbox"/>	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service:

Date:

Signature of person completing the EqIA:

Date:

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.