

BUSINESS CASE**Insurance****EXECUTIVE SUMMARY**

Long Term Agreements in respect of the Council's current insurance contracts expire on 31 March 2021 and there is an ongoing requirement for insurance services.

The only option available to the Council after full consideration of all alternatives and to ensure all Legal and Procurement Regulations are complied with is to proceed with an OJEU compliant tender

Key Risks

The Council cannot find itself without insurance cover at 1 April 2021. In the absence of financial protection against material losses or compensation claims it will incur substantial costs for which there would be no mitigating insurance cover. In addition, some classes of insurance are a legal requirement.

RECOMMENDED DECISION

It is recommended that the Leader of the Council:

Approves the Business Case

Authorises the procurement process

Delegates the award of the contract(s) to Service Director for Finance

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£3,390,000 to £5,650,000 (depending on length of contract. Minimum of 3 years up to 5 if extended)	Contingency (show as £ and % of project value)	
Programme	Select a ProgrammeN/A	Directorate	Finance
Portfolio Holder	Cllr Mark Lowry, Finance	Service Director	Brendan Arnold
Senior Responsible Officer (client)	Julie Steer	Project Manager	Julie Steer
Address and Post Code	Insurance Manager	Ward	All Wards
Current Situation: <i>(Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)</i>			

Long Term Agreements in respect of the Council's current insurance contracts expire on 31 March 2021 and there is an ongoing requirement for insurance services.

The Council cannot find itself without insurance cover at 1 April 2021. This is because it will acquire very large financial risks for which there would be no mitigating insurance cover. In addition some classes of insurance are a legal requirement.

Proposal: *(Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) and (What would happen if we didn't proceed with this scheme?)*

Traditionally the contracts have been placed on a 3 year basis (with the option to extend for a further 2 years should premium rates remain favourable) in order to attract competitive premiums and to give greater budget stability.

Since the last full tender the Local Government Association have introduced a new proposal for risk transfer, however, following extensive investigation it has been agreed that it is not a viable solution for the Council at this time.

As it is not possible to extend the existing contracts any further the Council has no option other than to complete an OJEU compliant tender. This can be achieved through OJEU or various frameworks available.

The proposal is to tender for a 3 year contract with the option to extend for a further 2 years but 1 year at a time i.e. 3+1+1.

Why is this your preferred option: *(Provide a brief explanation why this option is preferred) and (Explain why this is a good capital investment and how this would be an advantage for the Council) and (explain how the preferred option is the right balance between the risks and benefits identified below).*

The YPO Framework is the preferred option and will provide access to the key insurers for the considerable range of insurances required. This route will also eliminate the need to make the aforementioned checks on insurer's as this is already undertaken by the YPO before they can subscribe, thus saving the Council time during the process. Finally, it will promote healthy competition resulting in competitive quotes and best value for money.

Option Analysis: *(Provide an analysis of 'other' options which were considered and discounted, the options considered must be a 'do Nothing' and 'do minimum' and 'viable alternative' options. A SWOT – Strength, Benefit, Opportunity, Threat analysis could be attached as an appendix).*

Do Nothing Option	The Council cannot be without insurance as stated above
List Risk / Issues:	The Council would have to fund all material losses and compensation claims made against it.
Why did you discount this option	The Council needs financial protection of its assets and liabilities and cannot afford to entirely self-insure. Certain covers are also legally required

Strategic Case:

The provision of a cost effective insurance policy for all council services will help support the delivery of all council services.

Explain how the project delivers or supports delivery of Joint Local Plan/Plymouth Plan Policies (include policy references)	<p style="text-align: center;">N/A</p>
---	--

Project Governance :

The Insurance Manager will provide the Council's brokers, Marsh Ltd, with the information necessary to prepare the tender documents. This will involve consultation with Procurement who will ultimately upload the final ITT onto the STSW Portal. The bids will be evaluated using an agreed scoring mechanism to establish the best value for money for the Council. The Head of Planning and Reporting will have an oversight of the process with the Service Director for Finance responsible for awarding the contracts.

Contract Milestones and Dates:		
Live on STSW Portal	08/01/2021	
To receive clarifications from Tenderers	26/01/2021	
Final date for PCC to answer clarifications	09/02/2021	
Tender Return	19/02/2021	
Internal Evaluation to be completed	05/03/2021	
Contract Award/Completion of internal documentation (Contract Start date 01/04/2021)	10/03/2021	

Who are the key customers and Stakeholders	Employees, members of the public, commercial tenants and businesses	Which Partners are you working with	N/A
---	---	--	-----

SECTION 3: CONSULTATION

Does this business case need to go to CMT	Yes	Date business case approved by CMT (if required)	29/9/20
--	-----	---	---------

Low Carbon	
What is the anticipated impact of the proposal on carbon emissions	N/A
How does it contribute to the Council becoming Carbon neutral by 2030	N/A

Have you engaged with Procurement Service.		Yes
Procurement route options considered for goods, services or works	OJEU Framework	
Procurements Recommended route.	YPO Framework	
Who is your Procurement Lead.	Kim Kingdom	

Which Members have you engaged with and how have they been consulted (including the Leader, Portfolio Holders and Ward Members)	Cllr Lowry, Portfolio Holder for Finance
--	--

Confirm you have taken necessary Legal advice, is this proposal State Aid compliant, if yes please explain why.	The Council's own Legal Services department have been consulted
Who is your Legal advisor you have consulted with.	Mohammed Sajjad, Linda Torney

Equalities Impact Assessment completed (This is a working document which should inform the project throughout its development. The final version will need to be submitted with your Executive Decision)	Yes
---	-----

SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT : In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole.

SECTION 6: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council:

- Approves the Business Case

<ul style="list-style-type: none"> • Authorises the procurement process • Delegates the award of the contract to Service Director for Finance. 			
Councillor Tudor Evans OBE		Service Director Brendan Arnold	
Either email dated:	23/12/20	Either email dated:	22/12/20
Or signed:		Signed:	
Date:		Date:	
		Service Director	
		[Name, department]	
		Either email dated:	date
		Signed:	
		Date:	