

BUSINESS CASE

Insurance Contracts from 01 April 2026.



EXECUTIVE SUMMARY

Long term agreements in respect of the Council's current insurance contracts expire on 31 March 2026 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 2026. 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 Deputy Leader of the Council:

- Approves the Business Case
- Authorises the procurement process
- Delegates the award of the contract(s) to Service Director for Finance, where they do not already have authority to do so

SECTION I: PROJECT DETAIL

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| Project Value (indicate capital or revenue) | £8,500,000 – over 5 years impacting the Revenue budget and up to £12,000,000 if option to extend is exercised as per Business Case (NB: recommended to undertake a minimum of a 5-year contract to take the Council through the Local Government Reorganisation) | Contingency (show as £ and % of project value) | N/a –tender process to deliver best value renewal premiums. Budget to be incorporated into the overall 2026/27 setting process |
| Programme | N/a | Directorate | Finance |
| Portfolio Holder | Cllr Mark Lowry, Finance | Service Director | Ian Trisk-Grove |

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| Senior Responsible Officer (client) | Julie Steer | Project Manager | Julie Steer |
| Address and Post Code | Insurance Manager | Ward | N/a |
| Current Situation: (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) | | | |
| <p>Long term agreements in respect of the Council's current insurance contracts expire on 31 March 2026 and there is an ongoing requirement for insurance services.</p> <p>The Council cannot find itself without insurance cover at 1 April 2026. 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.</p> | | | |
| 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?) | | | |
| <p>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. Traditionally the option to exercise the extensions has been adopted.</p> <p>As it is not possible to extend the existing contracts any further the Council has no option other than to go to tender. This can be achieved through various frameworks available. The YPO Framework was the route taken for the last tender exercise and all insurers that can access it have been vetted as part of the process.</p> <p>Option 1 – Tender for a 3 year contract with the option to extend for 2 (1+1)</p> <p>Option 2 – Tender for a 5 year contract with the option to extend for 2 (1+1)</p> <p>Option 1 above has been considered, however, the Council's Insurance Consultants have recommended a 5 year contract for two main reasons. Firstly, the current market is soft and therefore premiums could begin to rise during this timeframe. Entering a longer agreement when rates are lower will provide longer term financial stability and less risk of exposure to premium volatility. Secondly, a 5 year agreement will ensure continuity of cover during and after Local Government Reorganisation. This means that should the Council's risk change, the Council will not have to face presenting a new risk profile to the market at the risk of increased rates and/or the possibility of reduced insurer appetite to insure altogether. A 5 year contract should ensure that it will still be in place should LGR be delayed beyond 2028.</p> | | | |
| 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). | | | |
| <p>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</p> | | | |

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. Historically we have extended three year contracts to five years so going out for an initial five year term has the same result.

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).

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| 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 |
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| Do minimum option | Tender for a 3 year contract with the option to extend for further 2 years (I+I) |
| List Risk / Issues: | The current market testing is soft and therefore premiums could begin to rise during this timeframe |
| Why did you discount this option | Entering a longer agreement when rates are lower will provide longer term financial stability and less risk of exposure to premium volatility. |

Strategic Case:

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| Explain how the project delivers or supports delivery of Joint Local Plan/Plymouth Plan Policies (include policy references) | <p>Renewing insurance services is essential to safeguarding the delivery of both the Plymouth City Council Corporate Plan and the wider Plymouth Plan. These plans set out ambitious objectives for economic growth, community wellbeing, and sustainable development, all of which rely on the continuity and resilience of council operations.</p> <p>Comprehensive insurance coverage ensures that key services, assets, and projects are protected against unforeseen risks, enabling the council to maintain financial stability and deliver on its commitments to residents and businesses. Without robust insurance arrangements, the ability to achieve strategic priorities and respond effectively to challenges would be significantly compromised.</p> |
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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. Procurement will have an oversight of the process with the Service Director for Finance responsible for awarding the contracts.

Contract Milestones and Dates:

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| Live on STSW Portal | 04.12.25 |
| To receive clarifications from Tenderers | 22.12.25 |
| Final date for PCC to answer clarifications | 09.1.26 |
| Tender Return | 23.1.26 |
| Evaluations to be completed | 26.2.26 |
| Contract Award/Completion of internal documentation <i>Contract Start date 01/04/2026</i> | 27.3.26 |

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| Who are the key customers and Stakeholders | Employees, members of the public, commercial tenants and businesses | Which Partners are you working with | N/A |
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SECTION 3: CONSULTATION

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| Does this business case need to go to CMT | No | Date business case approved by CMT (if required) | N/A |
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Low Carbon

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| 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 |

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

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| Which Members have you engaged with and how have they been consulted <i>(including the Leader, Portfolio Holders and Ward Members)</i> | Cllr Lowry, Portfolio Holder for Finance |
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| 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. No subsidy control issues arising. |
| Who is your Legal advisor you have consulted with. | Alison Critchfield |

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| 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 |
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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.

The financial robustness of the insurance renewal proposals will be demonstrated through the open tender process, which this business case endorses.

Detailed cost analysis, including premium projections and risk mitigation benefits, will be incorporated to evidence that the renewal is sustainable within existing budgets and supports long-term financial resilience. This assessment will provide assurance that the recommended option delivers optimal protection without compromising the Council's financial responsibilities.

SECTION 6: RECOMMENDATION AND ENDORSEMENT

It is recommended that the Deputy Leader of the Council:

- Approves the Business Case
- Authorises the procurement process
- Delegates the award of the contract(s) to Service Director for Finance, where they do not already have authority to do so.

| Councillor Mark Lowry (Cabinet Member for Finance) | | Service Director | |
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| Email dated: | 03.DEC.2025 | Ian Trisk-Grove Service Director for Finance (s151) | |
| Or signed: | Signed: | Either email dated: | 03.DEC.2025 |
| | | Date: 03.DEC.2025 | |