

**Report to** Cabinet  
14 March 2018  
**Report of** Director of business services  
**Subject** The award of contract for leaseholder insurance

**Item**

15

## KEY DECISION

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### Purpose

To consider delegating authority to award a contract for leaseholder insurance.

### Recommendation

To delegate authority to award a contract for leaseholder insurance to the Director of business services, in consultation with the portfolio holder for resources.

### Corporate and service priorities

The report helps to meet the corporate priority value for money services.

### Financial implications

The 2018/19 premium was estimated and budgeted as £119,820. The LGSS insurance team have supplied a revised estimate indicating that the premiums will increase. This insurance is funded from HRA and is recharged to leaseholders. There will therefore be increased costs for leaseholders but no impact on the HRA as the increased costs will be recovered.

**Ward/s:** All Wards

**Cabinet member:** Councillor Kendrick - resources

### Contact officers

Tracy Woods, business relationship and procurement manager 01603 212140

Gemma Mitchell, housing outcomes manager 01603 213139

### Background documents

None

# Report

## Background

1. Leaseholder insurance covers residential leasehold properties for buildings material damage. There is a requirement, under the lease, that this cost is borne by the leaseholder rather than the council. Contents insurance is to be sourced privately by the leaseholders.
2. The current contract for leaseholder insurance is provided by Aspen, who were awarded a five year contract from 01 April 2014, with break clauses.
3. LGSS provide the insurance service for Norwich City Council and manages this contract on our behalf. LGSS advised the council in January 2018 that Aspen had refused to provide renewal terms to continue the contract. This was because they were running at a loss with the policy, due to the number of claims. They were to break the contract from 31st March 2018.

## Tender process

4. In order to provide leaseholder insurance provision LGSS, on behalf of the council, will need to tender for a new supplier. LGSS will advertise this open opportunity on 02 April 2018.
5. The current contract with Aspen is for enhanced cover and has an excess of £100. Suppliers will be requested to submit tenders with a basic and an enhanced level of cover; together with different excess levels of £100 and higher, to see if this reduces the premium for leaseholders.
6. To ensure value for money for leaseholders, the evaluation of submitted tenders will seek a minimum overall weighting of 60% for price and 40% quality criteria.
7. Full leaseholder consultation will be required, which has commenced. This allows for nomination rights, any non-broker nominations will be advised and given the opportunity to submit a tender.

## Timescales

8. Tight timescales apply. A provisional supplier will be selected by 11 May 2018. Once the council approves the contract award, a further period of 21 days leaseholder consultation is required.
9. In order to ensure continued insurance cover during this period, Aspen has agreed to extend provision to 31 July 2018.
10. Delegated authority to approve the contract award is requested due to the timing and absence of Cabinet meetings during April and May.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	14 March 2018
<b>Director / Head of service</b>	Anton Bull, Director of business services
<b>Report subject:</b>	The award of contract for leaseholder insurance
<b>Date assessed:</b>	26 February 2018

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Predicted that policy renewal will result in higher premiums for leaseholders and the council.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Predicted that policy renewal will result in higher premiums for leaseholders and the council.
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment
Positive
Negative
Predicted that policy renewal will result in higher premiums for leaseholders and the council.
Neutral
Issues