

**Report to** Cabinet  
06 February 2019  
**Report of** Director of business services  
**Subject** The award of a contract for insurance

**Item**

12

## KEY DECISION

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### Purpose

To seek approval to delegate authority to award a contract for insurance.

### Recommendation

To delegate approval for the director of business services in consultation with the cabinet member for resources to award the contract for insurance for the three year period 1 April 2019 to 31 March 2022 together with an optional two, twelve month extensions to cover the period 1 April 2022 to 31 March 2024.

### Corporate and service priorities

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

### Financial implications

The cost of this contract over a 5 year agreement for the provision of insurance is estimated at £3.8m. Contract price certainty is not available due to the likely changes in council's asset values, shape and size of the council and insurance market.

**Ward/s:** All Wards

**Cabinet member:** Councillor Kendrick - Resources

### Contact officers

Tracy Woods - business relationship and procurement manager 01603 212140

Anton Bull Director of business services 01603 212326

### Background documents

None

# Report

## Introduction

1. Norwich City Council requires insurance to mitigate potential losses and reduce its financial risk exposure.
2. The councils current insurance policies, as detailed in the table below, expire on 31 March 2019:-

Housing  
Industrial/Commercial  
General Buildings  
Castle  
Housing Shared Ownership  
Works in progress  
Business Interruption/Gross Revenue  
Terrorism  
Money  
All Risks  
Computer  
Engineering  
Casualty (Public liability, Employers liability and Officials liability)  
Motor  
Fidelity Guarantee/Crime  
Personal Accident & Travel

3. The insurance service is undertaken by LGSS under a partnering and delegation agreement.

## Procurement process

4. LGSS shall undertake the procurement process on behalf of Norwich City Council.
5. To ensure an open, fair and transparent procurement process, adhering to the Public Contract Regulations 2015 an OJEU tender is proposed. This will allow all suppliers in the market place to bid, as compared to procuring via a framework.
6. Use of a framework could incur the council a commission fee for example use of the Crown Commercial Services framework would incur a fee of 0.75% of the insurance premium costs on top of broker fees and commission
7. The existing contract was for five years as this delivered financial benefits at last tender compared to a more traditional 3 year programme with options to extend. However it is proposed that the new contract will be advertised for three years with an option to extend for a further two years, on a 12 month basis; however consideration will be given to alternative options if financial advantages are available.

8. All bidders are required to reach appropriate financial security standards to transact insurance business in the UK.
9. Evaluation criteria shall be a mix of quality and price, depending on nature of insurance being evaluated.
10. The insurance policy is the formal contract in this instance no other contract documents will be required.
11. The current timetable of Cabinet meetings and the procurement timetable doesn't allow a report to Cabinet identifying the winning supplier. The decision to award will be published as a Key Decision and therefore members will have the opportunity to review the decision in the usual way.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	6 February 2019
<b>Director / Head of service</b>	Director of business services
<b>Report subject:</b>	The award of a contract for insurance
<b>Date assessed:</b>	7 January 2019

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment
<b>Positive</b>
Significantly contributes to the councils risk management
<b>Negative</b>
<b>Neutral</b>
<b>Issues</b>