

**HAMPSHIRE COUNTY COUNCIL****Decision Report**

<b>Decision Maker:</b>	Executive Member for Policy and Resources
<b>Date:</b>	12 December 2014
<b>Title:</b>	Procurement Approval – Insurance Tender
<b>Reference:</b>	6258
<b>Report From:</b>	Director of Policy and Governance, Corporate Services

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## **1. Executive Summary**

- 1.1. The purpose of this paper is to obtain spend and procurement approvals for contracting activity associated with the Council's insurance arrangements.
- 1.2. Although the Council principally self insures its insurable risk, it purchases some commercial insurance policies and the combined estimated cost of these could reach the limit requiring Executive Member approval.

## **2. Contextual information**

- 2.1. The County Council has had a long standing policy of self insuring its risks; that is, setting aside funds to meet any potential claims against its property or liabilities.
- 2.2. However, it protects its liability self insurance arrangements by purchasing insurance that places a cap on its financial exposure. This is through an insurance policy with a large excess that limits the cost to the Council of any particular claim, and the cost of all claims across the year.
- 2.3. The Council also purchases other commercial insurance policies, for example, where it is required to do so under contract, such as leasehold agreements or where it is more cost effective to purchase cover and claims handling in a combined package, such as motor insurance.
- 2.4. The principal insurance policies are:
  - a) Combined Liability Excess (Public and Employers' Liability) (as per 2.2 above)
  - b) Motor Fleet
  - c) Libel and Slander
  - d) Liability of Hirers of County Council premises
  - e) School journey
  - f) Professional Indemnity – work for other authorities or organisations

- g) Medical Malpractice – nurses in Nursing Homes
- h) Property and Commercial property

2.5. Approval is sought as the cost of motor insurance may exceed £1 million, and to cover the contingency that a single insurer is awarded contracts under a number of classes of insurance that effectively become a single contract that exceeds £1 million, thus meeting the criteria for a Key Decision. It is estimated that the approximate cost for the life of the insurance contracts could be in the region of £6 million.

2.6. The County Council’s Contract Standing Orders (CSO 3) requires that “The commencement of a procurement process for a Contract is subject to the prior approval of the relevant decision maker who has the authority to give such approval under the Constitution.” This report requests approval to procure and spend for insurance contracts which require approval by the Executive Member as they have a value, or estimated value, in excess of £1 million.

### 3. Recommendation

3.1. That procurement and spend approval is given for the purchase of insurance contracts as outlined in the report.

#### **CORPORATE OR LEGAL INFORMATION:**

##### **Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
<b>Maximising well-being:</b>	no
<b>Enhancing our quality of place:</b>	no
<b>OR</b>	
<b>This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because it will have a positive impact on the management of the County Council’s resources.</b>	

#### **Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

<u>Document</u>	<u>Location</u>
None	



## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

1. The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
2. Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
3. Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2. Equalities Impact Assessment:**

Equality impact assessment has been considered in the development of this report and no adverse impact has been identified. This procurement is subject to the terms of the Council's Corporate Procurement Strategy aims to improve the equalities performance of external suppliers where appropriate and the Strategy has been subject to an equalities impact assessment.

### **2. Impact on Crime and Disorder:**

This procurement is subject to the terms of the Council's, which recognises that community cohesion, safety and security are a key part of the County Council's corporate priorities. The Strategy aims to continue to identify where procurement can ensure that appropriate contracts include provisions for crime and disorder reduction and that procurement arrangements do not have an adverse impact on community safety issues.

### **3. Climate Change:**

There is no direct impact on the Council's carbon footprint and energy.