

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Deputy Leader of Kent County Council

DECISION NUMBER:

26/00002

Executive Decision – Key Decision**26/00002 – Extension for Kent County Council’s insurance arrangements.**

Decision:

As Deputy Leader of Kent County Council, I agree to:

- (a) Extend the Council’s current insurance arrangements for a further two years, through to 31st December 2028.

- (b) Delegate authority to the Corporate Director of Finance, in consultation with the Deputy Leader of Kent County Council to, take relevant actions, including but not limited to negotiating, entering into and finalising the terms of relevant contracts, contract variations or other legal agreements, as required, to implement the decision.

Reasons for decision: The Council’s insurance programme is extensive and designed to protect its financial position in respect of losses it may suffer when undertaking the diverse nature of activities required to meet statutory duties and general business functions and income generating operations.

The current programme is held under a 5-year Long Term Agreement. This agreement is due to end on 31st December 2026 and a new programme is due to be tendered for 2027 onwards. Due to the impending changes arising from Local Government Reorganisation (LGR), it is anticipated that a tender would not attract competitive prices and a 2-year extension should be sought. This extension would not alter the nature of the contract and would provide the Council with continued insurance cover through to 31st December 2028 and therefore past the anticipated LGR implementation date (April 2028).

Financial implications: The total premium cost for 2026 is approximately £6m. The proposed 2-year extension value is therefore approximately £12m, but with the benefit of discounted premiums. This saving is ringfenced to the insurance fund and will not impact the corporate position. The premium cost will not impact the MTFP as these are funded from the insurance fund and are already accounted for.

Legal implications: The proposal to extend the current insurance arrangements for an additional two years is in line with PCR 2015, regulation 72, which sets out that a contract may be amended due to unforeseen circumstances by no more than 50% of the original value. LGR could not have been foreseen at the time of the Council agreeing its current 5-year agreement on 1st January 2022. The current agreement has a contract value of approximately £25m and therefore the cost of the extension will meet the 50% requirement. The proposed approach has been reviewed and is in accordance with KCC Procurement arrangements and Spending the Council's Money policies

Equalities implications: An Equalities Impact Assessment has been carried out and no adverse impacts have been identified.

Data Protection implications: Given the nature of the proposed decision, there are not considered to be any data protection implications.

Cabinet Committee recommendations and other consultation:

The proposed decision will be considered by the Policy and Resources Cabinet Committee on 11 March 2026.

Any alternatives considered and rejected:

To undertake a full tender exercise to procure a new insurance programme. Due to the impending changes arising from Local Government Reorganisation (LGR), it is anticipated that a tender would not attract competitive prices

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

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Signed

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Date