

## KENT COUNTY COUNCIL – RECORD OF DECISION

**DECISION TAKEN BY:**

Peter Oakford – Deputy Leader and Cabinet Member for Finance, Corporate & Traded Services

**DECISION NO:**

21/00082

**For publication**

**Key decision:** Yes – involves expenditure in excess of £1m and represents significant policy decision.

**Subject:** Insurance Tender – Award of Insurance Programme Contracts

**Decision:**

As Deputy Leader and Cabinet Member for Finance, Corporate & Traded Services I agree to:

- Confirm the policy position and KCC insurance requirements which make up the KCC Insurance Programme.
- The undertaking of the necessary procurement, via an insurance broker, of the relevant Insurance Programme contracts.
- Award the contracts to the successful bidders, as identified via the procurement process.
- Delegate authority to the Corporate Director, Finance to, in consultation with me as the Cabinet Member for Finance, Corporate and Traded Services, consider and approve any extensions of the awarded contracts provided for as part of the original contract award and related arrangements.
- Delegate authority to the Corporate Director, Finance, in consultation with me as the Cabinet Member for Finance, Corporate and Traded Services, to take the necessary actions, including but not limited to, entering into necessary contracts and other legal agreements, as required to implement this decision

**Reason(s) for decision:**

Insurance cover is required to protect the Council's financial position in respect of losses it may suffer when undertaking its business.

The current insurance programme was due to be tendered during 2020 but due to the impact of Covid-19 and the volatility in the market, a decision was taken to agree to one year policy extensions. The tender process re-commenced in 2021 and new arrangements are due to be in place for 1<sup>st</sup> January 2022.

It is recommended the Council proceeds with a tender exercise to procure a new insurance programme for the next 3-5 years. Whilst a further extension might be available, the proposed terms are currently unknown, and it is likely that prices would be increased in the absence of competition.

There has been the emergence of several new insurance companies since the last tender in 2015 and a new tender provides the opportunity for the Council to test the market and hopefully reduce premium spend.

**Financial implications:**

The three available options all carry financial uncertainty. The insurance fund provides cover for these but the recommended option of proceeding to tender, is considered to carry the least amount of risk in terms of financial impact.

Extending current contracts – the terms of these extensions would be unknown at this stage, and it is likely that premium prices would further increase in the absence of competition.

To do nothing and self-insure – the Council would have no insurance cover and be totally exposed to unpredictable expenditure. The premium spend would be saved but there would be potential for significant claims spend.

Complete the tender exercise – the market remains unsettled but there has been the emergence of several new insurance companies since the last tender in 2015 and a tender provides the opportunity for the Council to test the market and hopefully reduce premium spend

**Legal Implications:**

The Council will be supported throughout the tender process by its broker Gallagher, who will complete the evaluation process on its behalf and ensure that all legal requirements are upheld appropriately.

**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 was considered by the Policy and Resources Cabinet Committee on 22 September 2021 and was endorsed.

**Any alternatives considered:**

The option of obtaining a further extension was considered but dismissed in favour of proceeding with the tender.

**Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None**

signed

date

26-10-21