

OFFICER DECISION RECORD SHEET

Name of decision maker: Sally Marshall

Service Area: Chief Executive

Title of Decision: Renewal of Insurances

Decision made and reasons:

Decision:

To award a contract for the Property Insurance cover as detailed below;

(1) Property – including computer – Aspen Insurance - £459,821.04

To extend the contracts for the renewal of the insurance programme as detailed below;

(2) Terrorism – Lloyds – £26,165.00

(3) Liability insurances – AIG – £140,828

(4) Gallagher Bassett Claims Handling Costs - £11,474

(5) Crime –AIG - £12,950

(6) Personal Accident - £4,337.95

(7) Motor – AIG - £158,235

(8) Engineering – HSB Haughton - £32,024.24

Reason:

The Council commissioned its insurance broker (Aon Risk Solutions) to undertake the tendering activity associated with the Property Insurance due to the impending expiry of the existing contract on 30 December 2014.

The broker has concluded the evaluation of the tenders and has scored Aspen Insurance UK Ltd with the highest marks against the pre-determined evaluation criteria.

Authority to award the other insurance contracts (2-8) was granted by PH/058/11 and all have the option of being extended by a further 2 years, in order to ensure a common renewal date for the whole insurance programme by 31 December 2016.

Reports considered:

Insurance Renewal Report prepared by Aon
Property Insurance Tender Evaluation Report

Officers/Councillors/Ward Councillors/Stakeholders Consulted:

Lead Officer - Insurance & Risk
Group Manager - Financial Services
Group Manager – Commissioning, Procurement & Compliance
Assistant Director – Finance & Resources

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Financial Comments:

The contract for Property Insurance runs from 31 December 2014 - 2015 so costs will be accrued on a pro-rata basis between the appropriate financial years. The tendered price is within the Councils approved budget for 2014/15 and around £60k lower than the proposed budget for 2015/16. The reduction in cost will be factored into the 2015/16 budget and ongoing budgets for future years, before formal approval in February 2015,

The insurance renewals are in line with the Councils 2014/15 and 2015/16 budget.

Group Manager - Financial Services – Richard Baker

Monitoring Officer Comments:

No comments to add

S151 Officer Comments:

No further comments to add

Implications:

Value for Money:

The tenders for the Property Insurance were evaluated against criteria headings of Price, Cover, Claims Handling and Quality & Service Standards.

This ensures that the Council does not look solely at the lowest priced tender, but takes into account other aspects of the requirement to ensure true value for money.

The objective of the contract extensions was to maintain cover in line with current policies. All policies will benefit from the same level of coverage

Financial:

The award this contract will result in a reduction in insurance premiums of approximately £100,000 when compared to last year's premiums.

The objective of the contract extensions was to achieve unaltered rates. Unfortunately the rates have increased rates under the liability programme and the Motor Fleet policy.

These increases have been limited to 12% and 10% respectively.

Risk:

The cover afforded by the insurance programme is designed to protect the Council against the financial effects of unforeseen insurance events. Failure to have such cover in place could have a severe impact in the Council's financial resources.

Officer Signature:

Date: