



RUSHMOOR BOROUGH COUNCIL RECORD OF EXECUTIVE DECISION MADE BY AN OFFICER

Decision taken by an individual officer

(All sections must be completed (mark "N/A" as applicable))

DECISION MAKER *(Name and designation)*

Peter Vickers, Executive Head of Finance and Section 151 Officer

DECISION AND THE REASON(S) FOR IT

To move the Council's insurance arrangement to the London Borough of Sutton (LBS), following the end of the Hampshire Insurance Forum (HIF) contract and the result of a tender process carried out by HIF compared to the proposal offered by the LBS. The offering from LBS provides value for money for the Council and insurance knowledge otherwise not held within the Council. Details of which are set out in the attached report.

DATE OF DECISION

27/3/2025

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

(Those examined by officers and generated by consultation, etc)

Options for insurance arrangements were considered from the Hampshire Insurance Forum (HIF). Report attached provides a comparison of the options considered and the reason these were rejected.

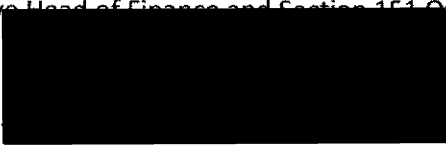
ANY CONFLICTS OF INTERESTS DECLARED

(by any executive member who is consulted by the officer which relates to the decision. A note of dispensation should be attached).

None

Signed:
(Decision Maker)

Designation: Executive Head of Finance and Section 151 Officer

Signed:


Designation:
(Cabinet Member Consultee where appropriate)

Date _____

INSURANCE ARRANGEMENTS

SUMMARY:

This report compares the insurance proposal put forward by the Hampshire Insurance Forum and the London Borough of Sutton.

In line with the agreed recommendation from Cabinet, the relevant officers and Members are required to review the proposals and agree the most cost effective and efficient route for the Council's insurance arrangements commencing 1st April 2025.

RECOMMENDATION:

It is recommended that the Council enters into a collaborative agreement to join the integrated insurance service led by LBS and no longer continue with the HIF tender process.

1 Introduction

- 1.1 As set out in the Insurance report to Cabinet in September 2024 (FIN2414) and to CGAS Committee in November 2024 (FIN2419), The 3-year insurance framework call off contract expires on 31st March 2025 and is due to be re-procured. The Council has a choice to continue to participate in a joint Hampshire district and borough wide tender process through the Hampshire Insurance Forum (HIF) or alternatively join an insurance collaboration led by London Borough of Sutton (LBS).
- 1.2 Cabinet agreed that subject to a satisfactory proposal being received from LBS and agreed by the Executive Head of Finance following consultation with the Corporate Manager – Legal, the Leader as Portfolio Holder – Finance and the Chair of CGAS, to proceed with the LBS.
- 1.3 This report sets out the proposal provided by LBS and HIF.

2 Comparison of proposals

- 2.1 As set out within the report to Cabinet there are differences between the policy cover provided by the HIF and the LBS as set out in the below table:

| Comparison of HIF insurance tender process to LBS offer | | |
|--|---|--|
| | HIF | LBS |
| Insurance excess | Up to £5k unbudgeted cost per claim | No policy excess |
| Policy liability limits | Various dependant upon policy | Will be equivalent or better |
| Administration support | None - HIF members for general advice, will require officer capacity circa £20,000 budget growth. | Full administrative support included |
| Contract term: | Likely 3+1+1 years call off contract: no break clauses | 5 years, break clauses within parameters/performance |
| Indemnity for negligence or omission | None - all on the Council | LBS indemnifies as Lead authority |

2.2 The table below compares the insurance cover cost between the HIF tender process, currently being carried out and the LBS. The same information was provided to both and therefore the figures below represent a fair comparison.

| Policy | 24/25 | HIF | LBS | 25/26 Budget |
|----------------------------|-----------------|-----------------|----------------------|---------------------|
| Main Property | £21,186 | £23,486 | £54,931 | |
| Casualty | £84,625 | £119,052 | £32,901 | |
| Personal Accident | £1,120 | £685 | £228 | |
| Crime | £6,924 | £5,000 | £2,874 | |
| Terrorism | £20,678 | £21,172 | Included in property | |
| Engineering Inspection | £17,610 | | £17,694 | |
| Engineering Insurance | £4,832 | £17,484 | £5,682 | |
| Motor claims | £3,417 | £6,505 | £9,917 | |
| Total | £160,392 | £193,384 | £124,227 | £124,187 |
| Industrial and Commercial* | £167,759 | £236,796 | £267,765 | £176,147 |
| Union Yard | £14,355 | | | £15,690 |
| Insurance Admin Bureaux | | | | £40,313 |
| Overall Total | £342,506 | £430,180 | £391,992 | £356,337 |

*Majority of this cost is recharged to tenants for commercial properties. Therefore, a corresponding income budget will off set majority of this amount.

2.3 The proposal put forward by LBS has a budget saving, excluding the commercial element, of £69k for 2025/26 against the HIF proposal.

2.4 In addition, as set out in the Cabinet report, there is currently a capacity deficit in the Finance team to carry out work required to provide an effective insurance provision, which would need to be addressed. The LBS insurance offer includes an insurance administration bureau with direct links to the Council's services, at a cost of £40k. This provides a depth and breadth of technical insurance knowledge and advice, risk management and trend analysis advice. The administrative capacity is required to cover the following administrative work:

- Assistance with relevant FOI requests, complaints and members enquiries;
- Provision of management reports and data;
- Meetings with key claim generating services to discuss operational risk management and claim performance;
- Responding to internal requests for insurance advice or cover amendments;
- Procurement of insurance policies and related services in accordance with public procurement rules;
- Management of the Claims Portal;
- Gather information internally from services in respect of claims handling information and preparation of insurance policy renewals.

3 Recommendation

- 3.1 It is recommended that the Council enters into a collaborative agreement to join the integrated insurance service led by LBS and no longer continue with the HIF tender process.

4. Comment from the Corporate Manager - Legal

- 4.1 I approve the approach to enter into an collaborative agreement to join the integrated insurance service led by LBS. S Thorp

5. Comment from the Portfolio Holder

- 5.1 I approve the recommendation in Section 3 above. A.Crawford

6. Comment from the Chair of CGAS

- 6.1 This approach was considered, and agreed to, by the Corporate Governance, Audit and Standards Committee at its meeting on November 21st 2024. B O'Donovan

AUTHOR: Peter Vickers, Executive Head of Financial Services and S151 Officer

References:

Microsoft Word - Insurance provision - Report No. FIN2414
Item 4. Proposals for Council Insurance.pdf