

NOTICE OF MEETING

Decision by the Leader

FRIDAY, 22ND FEBRUARY, 2013 at 14:30 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

AGENDA

1. URGENT BUSINESS

The Leader will advise of any new items of Urgent Business she has agreed to take.

2. COUNCIL'S INSURANCE PROGRAMME - EXTERNALLY PROCURED POLICIES (PAGES 1 - 6)

(Report of the Director of Corporate Resources). To appoint providers for insurance policies from 1 April 2013 in accordance with the OJEU notice.

3. EXEMPT INFORMATION - COUNCIL'S INSURANCE PROGRAMME - EXTERNALLY PROCURED POLICIES (PAGES 7 - 10)

To consider exempt information pertaining to Item 2 above.

David McNulty
Head Local Democracy & Member Services
5th Floor
River Park House
225 High Road
Wood Green
London N22 8HQ

Xanthe Barker
Principal Committee Coordinator
Tel: 020 8489 2957
Email: xanthe.barker@haringey.gov.uk

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Haringey Council

Report for:	Decision taken under Urgency Procedure	Item number	
Title:	Council's Insurance Programme – externally procured policies		
Report authorised by:	Director of Corporate Resources <i>pp. Anne Woods</i>		
Lead Officer:	Anne Woods, Head of Audit & Risk Management		
Ward(s) affected: All	Report for Key Decision		

Urgency

Under Rule 18 of the Call-in Procedure Rules, the call-in procedure shall not apply when the action taken is urgent or time-critical in terms of any delay in implementation caused by the call-in procedure seriously prejudicing the Council's or the public's interest.

The Chair of the Overview and Scrutiny Committee has agreed that the decision recommended in this report is reasonable in all the circumstances and should be treated as a matter of urgency and in consequence the call-in procedure will not apply to this decision.

1. Describe the issue under consideration

1.1 To inform the Leader of the Council of the procurement process undertaken, via the Insurance London Consortium (ILC), to appoint providers for the insurance policies from 1 April 2013 in accordance with the OJEU notice.

1.2 The decision is proposed to be taken under the Council's urgency procedures as the current contracts expire on 31 March 2013 and the new contracts need to be placed by 28 February 2013 in order to ensure that the Council has continuous



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insurance cover in place by 1 April 2013. The procurement process was managed by the ILC and the timetable did not allow for the report to be presented to the Council's Cabinet meeting on 12 February 2012, therefore the decision is requested to be taken under urgency procedures.

2. Cabinet Member Introduction

2.1 N/A

3. Recommendation

3.1 That the Leader of the Council approves the procurement of Insurance cover via the ILC and awards the contracts for the insurance policies to the recommended providers listed in Appendix 2, with the total costs for 2013/14 as specified in paragraph 3 of Appendix 2.

4. Alternative options considered

4.1 Purchasing stand-alone cover for the Council, using agreed procurement processes. This was not considered appropriate because:

- The insurance market for local authority risks has historically had a limited number of competitors, which has resulted in reduced competition and higher rates; and
- The Council has benefited from its membership of the ILC both in terms of achieving good value for money on the policies purchased and in the facility to share best practice on insurance and risk management practices.

5. Background Information

5.1 Haringey, along with eight other London boroughs (Croydon, Camden, Harrow, Islington, Kingston-upon-Thames, Lambeth, Sutton and Tower Hamlets) have continued to work as a formal consortium (ILC) to share best practice in Risk Management and to procure insurance services. The Consortium has a formal s101 agreement in place which allows a local authority to arrange for any other authority to discharge a function on its behalf.

5.2 The London Borough of Croydon was selected to be lead authority for this procurement process, and a Memorandum of Understanding was entered into by all members of the ILC. A project group was formed by representatives from all authorities within the ILC.

5.3 The project group has been meeting on a regular basis to ensure that all Consortium members participate fully in the procurement process including drafting and agreeing all tender documents, the invitation to tender, specification; insurance policy wordings; and the contract evaluation criteria.

5.4 The London Borough of Croydon, as lead authority, has managed the procurement process in compliance with their Council Standing Orders and EU procurement regulations. Tenders for the provision of insurance were sought with insertion of the contract notice in the Official Journal of European Union (OJEU).



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The terms offered by insurers varies between policy types and ranges between 24 months and up to a maximum of 60 months contracts.

- 5.5 The ILC members established a procurement project plan which commenced on the 6th September 2012 with the issue of the EU notice; and is due to conclude on the 28th February 2013 with the placement of instructions to the selected and approved contractor.
- 5.6 The procurement process was subject to the Standing Orders and procedures of the London Borough of Croydon, acting as the lead authority. Each participating authority will award its own contracts in compliance with their own Standing Orders.
- 5.7 The project group determined that the most effective procurement arrangement would be to arrange the insurance provision requirements into specific 'Lots' for each of the areas. This would allow prospective tenderers to submit bids against one, or more, of the specific Lots.
- 5.8 This would ensure that individual organisations which specialised in specific insurance provision arrangements would not be disadvantaged and excluded from bidding if the tender were to require organisations to bid for all types of insurance provision. Details of each of the Lots are summarised in Table 1 below.

Table 1

Lot 1	Motor Fleet
Lot 2	Terrorism
Lot 3	Fidelity Guarantee/Crime
Lot 4	Commercial Property
Lot 5	Engineering Statutory Inspections
Lot 6	School Travel

- 5.9 The evaluation exercise was completed by the project group which consisted of a representative from each member authority.
- 5.10 Contract monitoring will be ongoing and will include monthly monitoring reports and monitoring review meetings with provider every 6 months.
- 6. Comments of the Chief Financial Officer and Financial Implications**
- 6.1 The Council's Contract Standing Orders state that a contract for supplies and services exceeding £500k is a key decision which should be included in the Council's Forward Plan and approved by the Council's Cabinet Committee. The procurement timetable and deadline for tender submissions did not allow sufficient time for these policies to be included within the Cabinet report for 12 February 2013 meeting.



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6.2 There is no cost to Haringey Council for the commercial property policy. Haringey will pay the insurer in full and then recharge individual premiums to each tenant. The other costs will form part of the annual insurance recharge to Departments and Schools.

7. Head of Legal Services Comments and Legal Implications

7.1 In accordance with the Public Contracts Regulations 2006 (the "Regulations") the contracts to which this report relates to were advertised in the Official Journal of the European Union.

7.2 The London Borough of Croydon acted as purchasing authority on behalf of eight other London local authorities. Under the Regulations a contracting authority can act as a purchasing authority on behalf of other contracting authorities. In addition, there is a Section 101 Agreement in place under the Local Government Act 1972 between the consortium members which allows for the discharge of a local authority function by another local authority.

7.3 The London Borough of Haringey was named in the OJEU Notice. This complies with the requirement that in order to use a contract a contracting authority must be immediately identifiable in the OJEU Notice.

7.4 This is a Key Decision and as such needs to be included in the Forward Plan unless it has been impracticable to give 28 clear days' notice of the matter and the approval of the Chair of Overview and Scrutiny has been obtained. Corporate Resources Directorate has obtained this approval.

7.5 As the lots to be awarded under this procurement are valued over £250,000 they may only be awarded by the Cabinet, or as an urgent decision by the Leader in accordance with Contract Standing Order 16.03. In this instance, this report is being submitted to the Leader as an urgent decision.

7.6 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in the report.

8. Equalities and Community Cohesion Comments

8.1 This report deals with the Council's insurance arrangements. The continued improvements in managing insurance policies and risk management will therefore improve services the Council provides.

9. Head of Procurement Comments

9.1 The recommendation is in line with the Procurement Code of Practise

9.2 Contract monitoring arrangements are in place to ensure contract compliance and to mitigate any risk of service failure

9.3 The recommendation represents VFM in regard to the cost of the service and the avoidance of Haringey undertaking a procurement process.



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10. Policy Implications

10.1 There are no direct implications for the Council's existing policies, priorities and strategies.

11. Reasons for Decision

11.1 The current contracts for these policies are due to expire on 31st March 2013. It is necessary to ensure that the new contracts are in place from 1 April 2013, to avoid any gap in insurance cover for the Council.

12. Use of Appendices

12.1 Appendix 1 contains the details of the evaluation ratings for each of the Tenders. (Exempt Appendix 1)

12.2 Appendix 2 sets out the recommended provider. The premium costs indicated in the associated tables represent the premiums payable for 12 month period commencing 1st April 2013. (Exempt Appendix 2)

13. Local Government (Access to Information) Act 1985

13.1 The report contains exempt information. Exempt information is contained in Appendices 1 and 2 and is **not for publication**. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act.1972):

S(3) Information relating to the financial or business affairs of any particular person including the authority holding the information.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

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