

RECORD OF EXERCISE OF DELEGATED AUTHORITY BY OFFICER

<u>DATE OF DECISION</u>	27th March 2013	<u>DECISION MAKER</u> (Name and Job Title)
<u>DECISION REFERENCE</u>	PR 13/2013	Phil Richardson, Director, Governance & Recreation

RECORD OF THE DECISION

a) The issue:

Placement of NBBC insurance programme:

- For extended period (17 months) to a new annual renewal date (31st August);
- As authorised by the Management Team:
 - Discontinuing certain insurance covers;
 - Increasing certain policy excesses;
 - Limiting the scope of Terrorism and certain other insurance covers.
- Following a tender exercise, transferring some insurances and the statutory engineering inspection service to new insurers.

In particular, whether the above reductions in insurance cover are acceptable in order to satisfactorily manage the available insurance budget and the practicality of changing the insurance renewal date (involving payment of premium costs for a 17 month period in 2013/14).

b) The Decision:

To place the Council's insurance programme as above, except that our new Terrorism insurer would only provide cover for 12 months initially.

Costs

- (Note 1: Engineering Inspections service: the fee is subject to VAT);
 (Note 2: Insurance premia shown include 6% Insurance Premium Tax);
 (Note 3: Terrorism insurance is 12 months only);
 (Note 4: Other insurances & the engineering inspections: 17 months costings shown; (12 months in brackets is for information purposes only):

(i)	Property & Property-related insurances:	£ 239,832.44	(£ 169,320.77).
(ii)	Contractors All Risks insurance:	£ 5,826.43	(£ 4,112.77).
(iii)	Computer insurance:	£ 1,811.51	(£ 1,278.71).
(iv)	Combined Liability insurance:	£ 191,014.40	(£ 134,855.43).
(v)	Liability insurance (claims handling, plus VAT):	£ 20,226.73	(£ 14,280.00).
(vi)	Motor Fleet insurance:	£ 108,177.64	(£ 76,373.00).
(vii)	Fidelity insurance:	£ 6,327.21	(£ 4,466.27).
(viii)	Engineering Inspection service:	£ 15,140.61	(£ 10,689.21).
(ix)	Engineering Insurance:	£ 2,617.88	(£ 1,848.22).
(x)	Terrorism insurance (12 months only)	£ 4,096.90.	

REASON FOR THE DECISION

Optimisation of insurance spend and change of renewal date to a time when our insurance broker and the insurance market are not under maximum pressure from insurance buyers to provide quotations.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED IN MAKING THE DECISION

Numerous options were considered, partly by the Management Team and partly arising from the insurance tender exercise.

Ward RELEVANCE

None.

FINANCIAL AND BUDGET IMPLICATIONS

Annual insurance premium costs managed within available budget, despite rising premium rates.

In 2013/14, there is an extra premium cost to extend the next renewal date to 31st August 2014.

CONSULTATION UNDERTAKEN WITH MEMBERS/OFFICERS

Consultation with officers involved with the Insurance Lean Working Review (including Service Unit Directors, the Audit & Governance Manager and the Insurance & Risk Management Officer) and the Procurement Supervisor.

ANY CONFLICT OF INTEREST DECLARED BY ANY EXECUTIVE MEMBER CONSULTED

None.

IN RESPECT OF ANY DECLARED CONFLICT, ANY DISPENSATION GIVEN BY THE HEAD OF PAID SERVICE

Not Applicable.

IMPLICATIONS OF DECISION (eg LEGAL, RISK MANAGEMENT, HUMAN RESOURCES, ENVIRONMENTAL, EQUAL OPPORTUNITIES)

Risk management vigilance will be increasingly important to minimise self-insured loss / damage.

ANY OTHER COMMENTS

Premium spreadsheet attached.

Additional note: After tenders were received and insurance arrangements were finalised, changes in Property (buildings & contents) sums insured increased the annual Property premium by £904.12 plus insurance tax.

**RETURN TO DIRECTOR – CORPORATE GOVERNANCE & RECREATION AS SOON AS
A DECISION IS MADE OR AS REASONABLY PRACTICABLE THEREAFTER**