

Record of Individual Cabinet Member decision

Local Government Act 2000 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Decision made by	Cllr Andrea Powell, Corporate Services Portfolio Holder
Key decision?	Yes
Date of decision (same as date form signed)	23/9/2019
Name and job title of officer requesting the decision	Adrianna Partridge Acting Deputy Chief Executive – Transformation and Operations
Officer contact details	Tel: 01235 422485 Email: Adrianna.Partridge@southandvale.gov.uk
Decision	To approve an extension to our current Long-Term Agreement (LTA) for South Oxfordshire District Council's insurance contract with Zurich Municipal for a period of two years, commencing 1 October 2019.
Reasons for decision	<p>Background summary South Oxfordshire District Council is insured with Zurich Municipal.</p> <p>Policy / areas covered include:</p> <ul style="list-style-type: none"> • <i>General</i> • Property/Business Interruption/All Risks/Theft/Personal Accident/ Motor/Fidelity Guarantee/ Professional Negligence/Casualty • <i>Standalone policies</i> • Engineering in section contract/Engineering business interruption/Fire/Terrorism/Hirer Liability. <p>The council policies run from 1 October each year to the 30 September the following year, and the current contract expires on the 30 September 2019. The council has the option to extend for a further two years.</p> <p>The renewal cost for the year 2018/19 was £226,192, and this figure included Insurance Premium Tax (IPT) of 12% and VAT of 20% where appropriate. We do not have premium costs for this year, but our renewal data that contributes to our revised premium costs will be sent to Zurich if the decision to extend is approved.</p> <p>It is recommended that the council undertakes the two-year extension to the contract, as this option will allow</p>

	<p>continuation of the council's Long-Term Agreement 5% discount on our insurance premiums.</p> <p>During the extension period, council officers will fully consider insurance options for the 1 October 2021 onwards.</p>			
Alternative options rejected	<p>Two additional options were considered:</p> <p>Option 1: to undertake a tender exercise for a new insurance contract, however this is considered an inefficient use of resources given the extension option available with a 5% discount and the need to consider the council's longer term insurance strategy.</p> <p>Option 2: to self-insure against the risks, however the level of potential liabilities (particularly public liability) could seriously compromise the council's financial position if any claim materialises.</p>			
Legal implications	<p>No legal implications as it is within our current contractual agreement with Zurich Municipal. The extension will be formally documented</p>			
Financial implications	<p>On extending the arrangements with Zurich Municipal for a further two years there will be a 5% discount across all our policy premiums. Each year the council renews the policy arrangements which can result in a change of premium cost due to changes in volumes such as employees, property and 'all risk' elements. Policy renewals are processed in accordance with the delegations list in the constitution.</p>			
Other implications (risks)	<p>The council may not be able to realise any potential savings because the council is not undertaking a full procurement and tender exercise at this time, however the resources required to undertake such a procurement would negate any savings and the current 5% LTA discount may not apply in a new contract.</p>			
Background papers considered	<p>None</p>			
Declarations/conflict of interest? Declaration of other councillor/officer consulted by the Cabinet member?				
List consultees		Name	Outcome	Date
	Ward councillors	N/A		
	Legal	Christine Cox	Content	18 September 2019
	Finance	William Jacobs	Content	18 September 2019
	Human resources	N/A		
	Sustainability	N/A		
	Diversity and equality	N/A		

	Communications	N/A		
	SMT	SMT	Content	18 September 2019
Confidential decision? If so, under which exempt category?	No			
Call-in waived by Scrutiny Committee chairman?	<p>Yes</p> <p>The reason this decision is urgent, is because the current arrangement comes to an end at the end of September 2019 and therefore the council is at risk of not being insured.</p> <p>E-mail confirmation received from Cllr Ian White to the Acting Deputy Chief Executive – Transformation and Operations dated 18 September 2019:</p> <p>As discussed, I am happy as Chair of Joint Scrutiny and South Scrutiny to waive the Scrutiny call in in respect of this ICMD.</p> <p>Regards,</p> <p>Ian</p>			
Has this been discussed by Cabinet members?	No			
Cabinet Member's signature To confirm the decision as set out in this notice.	<p>Signature <u>AJ Rosell</u></p> <p>Date <u>23/9/19</u></p>			

ONCE SIGNED, THIS FORM MUST BE HANDED TO DEMOCRATIC SERVICES IMMEDIATELY.

For Democratic Services office use only		
Form received	Date: <u>25/9</u>	Time: <u>15.30</u>
Date published to all councillors	Date: <u>26/9</u>	
Call-in deadline	Date: <u>N/A</u>	Time:

