

**TENDER FOR COUNCIL INSURANCE POLICIES INCLUDING  
CLAIMS HANDLING FROM 1 APRIL 2024**

**FINANCE, MODERNISATION AND PERFORMANCE (COUNCILLOR  
CHRIS WEAVER)**

**AGENDA ITEM: 6**

---

*Appendices 1 and 2 to this report are exempt from publication pursuant to the provisions of Schedule 12A Part 4 Paragraph 14 of the Local Government Act 1972*

**Reason for this Report**

1. To seek the approval of Cabinet to:
  - (i) invite Tenders via the YPO Insurance DPS for the Council's insurance policies including Liability, Motor, Property and Miscellaneous and claims handling services for an initial period of 3 years from 1<sup>st</sup> April 2024 with an option to extend for a further period of up to 2 years in accordance with the Contracts Procedure Rules.
  - (ii) approve the evaluation criteria detailed in the body of the report.
  - (iii) delegate the authority to determine and generally deal with all aspects of the procurement process (including and not limited to the breakdown of the evaluation criteria and issuing of documentation) and ancillary matters up to and including the awarding of the contract to Corporate Director, Resources in consultation with the Cabinet Member for Finance, Modernisation and Performance.

**Background**

2. The Council's Liability insurance policies with QBE Insurance Group via Risk Management Partners including public liability, employer's liability and official's indemnity insurance and claims handling with Gallagher Bassett were tendered 1 April 2019. The insurance has a £250,000 excess per claim.
3. The Motor Insurance including claims handling is currently with QBE Insurance Group via Risk Management Partners. The motor insurance provides comprehensive insurance with a £75,000 excess per claim. This is for all Council owned, long-term lease or hired vehicles. The policy was tendered on 1 April 2019 for a five-year period, which expires on 31 March

2024. The uninsured loss recovery insurance with MAPS Legal was also placed for the period 1 April 2019 to 31 March 2024.

4. The property insurance, including money and all risks insurance is currently with AIG Insurance via Risk Management Partners and was tendered from 1 April 2019 for a five-year period and is due to expire on 31 March 2024. The property insurance provides material damage cover to Council owned property, or for which it is legally responsible, including business interruption. There is a £150,000 excess.
5. The Engineering and Computer insurance with HSB Engineering was tendered on 1 April 2019 for a 5-year period.
6. The miscellaneous insurances covering Fidelity Guarantee with RMP/QBE Insurance Group, Marine with Zurich Municipal, All Risks-Fine Art with Risk Management Partners/Ecclesiastical, Personal Accident and Travel insurances with AIG Insurance and School Journey insurance with Chubb were tendered from 1 April 2019 for a five-year period and are due to expire on 31 March 2024.
7. The Council's appointed insurance broker, Aon Risk Solutions, will carry out the tender procedure in line with the Council's Contract Procedure Rules and using the YPO Public Sector DPS.
8. The Corporate Director Resources has responsibility to effect insurance cover and to arrange for the negotiation of claims in consultation with other Directors, where necessary under Financial Procedure Rules 4.141.
9. The evaluation criteria i.e., the criteria to be used to assess bids and to determine which bidders are to be appointed as insurers/claims handlers is intended to achieve the most economically advantageous offer to the Council.
10. The tenders will be advertised via the Council's Proactis portal using the YPO Insurance DPS and bidders will then be invited to submit a full tender bid. The balance between quality and price in the evaluation criteria will be 55% price, 40% quality and 5% Social Value as detailed below.
11. The suggested criteria and scoring system are as follows: -

Criteria	Score
<b>Price:</b> The price to be used will be the total premium calculated over the period of the Long-Term Agreement offered. If indexation is required at each or any renewal within the Long-Term Agreement the bid price will be calculated by including an amount for indexation based on the current rate of indexation used by the bidder.	<b>55%</b>
<b>Quality:</b> Quality is based on Cover/Underwriting Service/Claims Service and Added Value including innovations and enhancements. Bidders will be awarded a score which directly reflects the points achieved from the answers given in the completed Evaluation Toolkit.	<b>40%</b>
<b>Social Value:</b> Social Value based on the National TOMs for Wales	<b>5%</b>

(Themes, Outcomes and Measures) developed by the Welsh Social Value Taskforce and Social Value Portal. Bidders are required to propose credible targets against which performance (for the successful bidder) will be monitored. The social value measurement framework used in this tender process has been tailored to reflect the specific needs of the local area using the National TOMs for Wales. Bidders are free to choose measures that they consider appropriate. However, a key success factor for bidders will be to demonstrate their ability to deliver against the targets selected, which should be proportional and relevant to their business and this specific contract.	
--	--

## **Issues**

12. The estimated contract value exceeds £5,000,000 over the five-year period and in order to comply with Financial Procedure Rules and Contract Standing Orders and Procurement Rules, Cabinet approval to proceed with the tender process and to agree the evaluation criteria is required.

## **Local Member consultation (where appropriate)**

13. The proposal does not involve a local issue.

## **Reason for Recommendations**

14. The recommendation is proposed in order that a successful outcome is achieved from the tendering process and that the Council secures a financially sound, good quality and efficient insurance and claims handling facility.

## **Financial Implications**

15. No additional financial implications arise from this decision, although close attention will need to be given to when the tender is awarded to the impact on current budgets and contingencies related to insurance.

## **Legal Implications (including Equality Impact Assessment where appropriate)**

16. The report recommends that approval is given to commence a number of procurements using the YPO Insurance DPS. It is understood that the DPS has been put in place in accordance with procurement regulations. A participating local authority can carry out a mini competition in respect of each service to be procured to establish which Framework Supplier(s) provide the most economically advantageous tender. Any call off contract must be carried out in accordance with the Call Off Process set out in the Framework Agreement.
17. It should be noted that the terms and conditions will be those as set down by the Framework Agreement and the client department should satisfy themselves as to whether they are suitable for their requirements.

The report recommends approval of the evaluation criteria and weightings. The evaluation is of high importance, as it will determine who will be appointed. Therefore, the decision maker needs to be satisfied as to the same and the weightings proposed.

18. It is noted these are to include 5 % social value. Of relevance is WPPN01/20 providing, which provides, *'Wherever possible social value requirements proportionate to the value and related to the subject matter of the contract should be considered for inclusion in public sector tenders. In all cases where a contracting authority determines that social value requirements are to be included: Links between social value requirements and Wellbeing of Future Generations (Wales) Act 2015 ("WBFG") Goals should be identified (where the contracting authority is subject to the WBFG), and A minimum weighting of 10% (Procurement Policy Note 06/20 – taking account of social value in the award of central government contracts) of the total award criteria should be applied to social value in the tender to ensure that it carries a heavy enough score to be a differentiating factor in bid evaluation.'* It is important to :-
- ensure that any social value clauses/community benefits included are linked to the subject matter of the contract and indicated in the contract documents. Regard should also be had to how the successful contractor will be required to flow these down through the supply chain and how these will be monitored, and outcomes reported and
  - ensure that the contract notice refers to the social value to be delivered.
19. Legal Services are however instructed that it has been agreed to reduce the weighting for Social Value to 5% and that the evaluation criteria proposed will accord with the Framework Agreement.

### **Equality and other public duties**

20. In considering this matter, the decision maker must have regard to the Council's duties under the Equality Act 2010. Pursuant to these legal duties Councils must, in making decisions, have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: (a) Age, (b) Gender reassignment, (c) Sex, (d) Race – including ethnic or national origin, colour, or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h) Sexual orientation, (i) Religion or belief – including lack of belief.
21. The Well-Being of Future Generations (Wales) Act 2015 ("the Act") places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.
22. In discharging its duties under the Act, the Council has set, and published well-being objectives designed to maximise its contribution to achieving the national well-being goals. The well-being objectives are set out in Cardiff's

23. The well-being duty also requires the Council to act in accordance with 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without comprising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
- Look to the long term.
  - Focus on prevention by understanding the root causes of problems.
  - Deliver an integrates approach to achieving the 7 national well-being goals.
  - Work in collaboration with others to find shared sustainable solutions.
  - Involve people from all sections of the community in the decisions which affect them.
24. Cabinet must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>
25. The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language, the report, and Equality Impact Assessment deals with all these obligations. The Council has to consider the Well-being of Future Guidance (Wales) Act 2015 and how this strategy may improve the social, economic, environmental, and cultural well-being of Wales.
26. Cabinet must be satisfied that the proposal is within the Policy and Budget Framework, if it is not then the matter must be referred to the Council. All decisions taken by or on behalf the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Council Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **RECOMMENDATIONS**

Cabinet is recommended to: -

1. authorise the invitation of tenders via the YPO Insurance DPS for the Council's insurance policies including Liability, Motor, Property and Miscellaneous and claims handling services for an initial period of 3 years

from 1<sup>st</sup> April 2024 with an option to extend for a further period of up to 2years in accordance with the Contracts Procedure Rules.

2. approve the high-level evaluation criteria set out in the report.
3. delegate the authority to determine and generally deal with all aspects of the procurement process (including and not limited to the breakdown of the evaluation criteria and issuing of documentation) and ancillary matters up to and including the awarding of the contract to Corporate Director, Resources in consultation with the Cabinet Member for Finance, Modernisation and Performance.

<b>SENIOR RESPONSIBLE OFFICER</b>	<b>Chris Lee</b> <b>Corporate Director Resources &amp; Section 151 Officer</b>
	13 October 2023

*The following appendices are attached:*

Appendix 1 – Premiums 2023-24 (*exempt from publication*)

Appendix 2 – Market Outlook document from Aon (*exempt from publication*)