

<u>Meeting</u> Cabinet
<u>Date and time</u> Tuesday 5th September, 2023 At 7.00 pm
<u>Venue</u> Hendon Town Hall, The Burroughs, London NW4 4BQ

Dear Councillors,

Please find enclosed additional papers relating to the following items for the above mentioned meeting which were not available at the time of collation of the agenda.

Item No	Title of Report	Pages
17	Approval of the Award of Provision of Leasehold & Main Insurance Contracts effective from 1 October 2023	3 - 4
22	Approval of the Award of Provision of Leasehold & Main Insurance Contracts effective from 1 October 2023 (Exempt)	5 - 146

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Addendum to Agenda Items 17 and 22 – Approval of the Award of Provision of Leasehold & Main Insurance Contracts effective from 1 October 2023

AGENDA ITEM 17

The Head of Organisational Resilience has requested that the following additional information be circulated to Cabinet.

Amendment to Recommendation 2 (additions in bold highlight):

2. That Cabinet delegate authority to the Director of Finance **to have regard to the observations made from the S20 notice** and to make any emergency arrangements for insurance cover beyond 1 October 2023 in the event contracts are not able to be finalised in line with these proposals by 1 October 2023.

Exempt Appendices

The exempt appendices A1 and A2, marked as ‘to follow’, are enclosed.

Additions to Section 5 (Resource Implications)

Following completion of the report and procurement moderation on 4th September 2023 officers can provide the outcome of the tender and proposed award of contracts. Cabinet are asked to note that section 5 will be deleted and replaced with the following:

5. Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)	
5.1 Financial implications, details of the bids and consideration of the basis of cover are set out in the exempt broker reports Appendix A1 – Main Tender and A2 - Leasehold.	
5.2 The identity of the tenderers referred to in the table below are detailed in the exempt appendices to this report. Tenders were received from the following bidders:-	
Lot 1 Property	
Bidder 1	£316,184
Bidder 2 Risk Management Partners	£341,703 *
Bidder 3	£475,639
Bidder 4	£391,256
*Risk Management Partners was the most economically advantageous tender taking account of cover, added value and social value elements. The lowest price exposed the council to risk including council housing property not being fully insured.	
Lot 2 Commercial and Industrial Property	
Bidder 1 Travelers	£101,223
Bidder 2	£190,640
Bidder 3	£182,089
Bidder 4	£123,949

Lot 3 Casualty	
Bidder 1	£933,410
Bidder 2	£1,454,579
Zurich Municipal	£793,310

Lot 4 Motor	
Bidder 1	£227,928
Bidder 2	£131,950
Bidder 3	126,000
Zurich Municipal	£94,473

Lot 5 Personal Accident / Travel	
Bidder 1	£23,207
Risk Management Partners	£19,140

Lot 6 Engineering Insurance and Inspection	
Bidder 1	£69,257
Risk Management Partners	£52,640

Lot 7 Combined Lots 1, 3 & 4	
Only one bidder offered a discount on their main bid. This was marginal and did not change the award.	

LEASEHOLD INSURANCE	
Protector Insurance	£2,067,770

- 5.3 All premiums quoted are annual, net of LTA and Service Administration discounts and are subject to Insurance Premium Tax at the current rate (at 1 October 2023 this is 12%).
- 5.4 In respect of Lots 1 to 6, these sums are the first annual premium. If the insurance contracts renew annually within the terms of the initial 3 year LTA the full contract costs for Zurich Municipal would be circa £2,663,351, for Risk Management Partner £1,240,452 and for Travelers £303,671. If the contract is extended and renews annually for a further 2 years, the full contract cost for Zurich Municipal would be circa £4,438,919, for Risk Management Partner £2,067,420 and for Travelers £506,118.
- 5.5 Annual premiums may be subject to increase or decrease by RICS property building indices, salary and wages fluctuations and changes in risk etc. Assuming the level of risk and claims experience remains constant increases are not expected to rise by more than 10% per annum.
- 5.6 Premiums in respect of Leasehold Properties are recharged to Leaseholders via Barnet Home Leaseholder Services.
- 5.7 Premiums in respect of Lots 1 to 6 are likely to be above existing budgetary provision. Where the cost of the new premiums are above the current budget, delegated authority has been given to the s151 Officer, to determine the most appropriate funding source.
- 5.8 There are no Staffing, IT and Property implications.

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

AGENDA ITEM 22

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