

## LEADER DECISION - 10TH MAY 2021

### Report of the Strategic Director of Environmental & Corporate Services

**Lead Member: Councillor Smidowicz (for informal Cabinet meeting)**

#### Part A

#### ITEM 8      INSURANCE ARRANGEMENTS

##### Purpose of Report

To seek approval to extend the Council's current long term agreement for insurance for a further final year.

##### Recommendation

That the Council extends its existing long term agreement (LTA) for insurance for a further final year (ie. from 1<sup>st</sup> June 2021 to 31<sup>st</sup> May 2022), and that delegated authority be given to the Strategic Director of Environmental & Corporate Services to finalise and agree the detailed terms of the extension.

##### Reason

To ensure that the Council has appropriate insurance cover in place.

##### Policy Justification and Previous Decisions

At its meeting on 15<sup>th</sup> February 2018 Cabinet agreed (minute reference 95) that the Council should become a founder member of the Local Government Mutual (LGM), and agreed to note that a further report with a business case for utilising the LGM would come back to Cabinet when the Council's current long term agreement for insurance cover comes to an end.

As the LGM were unable to provide cover for 2020/21, Cabinet agreed to extend the LTA for the current insurance cover for a further year (ie. June 2020 to May 2021) at their meeting on 7<sup>th</sup> May 2020. There is an option to extend the LTA for one further final year (ie. June 2021 to May 2022).

##### Implementation Timetable including Future Decisions and Scrutiny

Insurance cover will be arranged to come into effect from 1<sup>st</sup> June 2021.

##### Report Implications

The following implications have been identified for this report.

##### *Financial Implications*

There is an existing budget for Insurance Premiums, which amounts to £601,400 for 2021/22, plus £9,500 budget for Insurance Excess.

## Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
The costs of extending the LTA may exceed the available budget.	Unlikely (2)	Significant (2)	Low (4)	Insurance costs are to some extent outside the Council's direct control (ie. General insurance market factors), however officers aim to work with our brokers to keep costs to a minimum.

Key Decision: Yes

Background Papers: None

Officer to contact: Adrian Ward  
Head of Strategic Support  
(01509) 634573  
[adrian.ward@charnwood.gov.uk](mailto:adrian.ward@charnwood.gov.uk)

## **Part B**

### Background

1. The Council had been working with the Local Government Mutual (LGM) to provide an alternative option for insurance cover for 2021/22. However, the LGM have confirmed that they are again unable to provide cover.
2. Given this, there is a need to extend the current LTA for a further final year.
3. The renewal process is already underway, and it will be possible to agree renewal terms in advance of the renewal date of 1<sup>st</sup> June 2021.
4. This is the final year for which the LTA can be extended, and therefore if the LGM are again unable to provide cover for 2022/23 it will be necessary to undertake a procurement process. A further Cabinet report will be required to approve such a process as the total contract value will be in excess of £500,000.