



## **ADVANCED PUBLICATION OF REPORTS**

This publication gives five clear working days' notice of the decisions listed below.

These decisions are due to be signed by individual Cabinet Members  
and operational key decision makers.

Once signed all decisions will be published on the Council's  
Publication of Decisions List.

- 1. ENTERING INTO AGREEMENT WITH CHRISTIAN ACTION HOUSING ASSOCIATION TO PROVIDE 24 AFFORDABLE RENTED HOMES.**  
(Pages 1 - 12)
- 2. CORPORATE INSURANCE ARRANGEMENTS** (Pages 13 - 38)

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**MUNICIPAL YEAR 2018/2019 REPORT NO.****ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY****OPERATIONAL DECISION OF:**

Executive Director Place  
in consultation with the  
Director Finance

<b>Agenda – Part:1</b>	<b>KD Num: 4848</b>
<b>Subject:</b> <b>Entering into agreement with Christian Action Housing Association to provide 24 affordable rented homes.</b>	
<b>Ward: Edmonton Green</b>	

Contact officer and telephone number:  
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**1. EXECUTIVE SUMMARY**

- 1.1 The Council has set aside some right to buy receipts, to be utilised by RP's by March 2020.
- 1.2 Report KD 4573 recommended any future decisions to authorise funding and entry into legal agreements, be delegated to the Executive Director – Place, Regeneration and Environment in consultation with Director Finance respectively.
- 1.3 This report recommends the Council awards grant funding to Christian Action Housing Association Ltd and enters into an agreement with them on the terms of its use and on the respective roles and responsibilities of each party.

**2. RECOMMENDATIONS**

It is recommended that the Executive Director Place in consultation with the Director Finance:

- 2.1. Approve the award of RTB funding to Christian Action Housing Association Ltd (CAHA) to part fund development of twenty four dwellings for affordable rent and enter into a grant funding agreement.

### **3. BACKGROUND**

- 3.1 In October 2017, report KD 4573, reported on the outcome of grant awards approved as part of round one submission. The report also recommended and authorised changes to the grant submission process to maximise future grant expenditure under round two.
- 3.2 In addition, the decision to make future awards of funding and enter into grant funding agreements with recipients has been delegated to the Executive Director Place and the Director Finance respectively.
- 3.3 Following approval of the above report the Council wrote to all the registered providers who own and manage stock in the borough. This was to advise a second round of grant funding had been launched and that changes had been introduced to make the grant more attractive to registered providers and to speed up the decision-making process. In addition, under round two, grant funding would be made available on a continuous market engagement basis, thereby giving providers' flexibility to submit claims as and when they are ready for consideration.

### **3.5 Entering Grant Agreement**

- 3.5.1 Grant awards are provisional and payment is subject to entering agreement with prospective recipients on the terms of its use and our respective roles and responsibilities.
- 3.5.2 Officers have now finalised negotiations with CAHA and recommend the Council enters agreement with them to enable defraying of expenditure and facilitate delivery of new affordable housing as outlined in their bid. It has been agreed that 50% of the grant will be payable to CAHA on signing the agreement and 50% on completion of the units.
- 3.5.3 CAHA will be required to enter into a binding grant funding agreement with the Council prior to the release of the grant, obliging them to repay in full, (in case of delay in repayment, interest will accrue), the total amount of the funding as initially transferred under the agreement.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The Council could choose to do nothing. If this course of action was adopted the Council would not be able to fulfil its duty to provide affordable housing for rent and utilise this expenditure as agreed.
- 4.2 It will not only have to return the receipts to Central Government but also pay interest, currently 4% above the base rate compounded, from the time the receipt was generated.

## **REASONS FOR RECOMMENDATIONS**

- 5.1 The Council's Housing Strategy requires 798 new homes be built each year.
- 5.2 If approved the funding will;
- Increase the portfolio of affordable rented accommodation in the borough and available to the Council
  - Assist the Council to discharge its statutory duties to households on the housing waiting list and those living in temporary accommodation
  - Ensure the Council retains 100% nomination rights to a mix of 24 affordable rent dwellings
  - Make this scheme potentially more attractive to prospective RP's and encourage them to submit bids for grant funding
  - Achieve the Council's objectives not to return receipts to the Department of Culture and Local Government

## **6. COMMENTS FROM OTHER DEPARTMENTS**

### **6.1 Financial Implications**

- 6.1.1 The bid total is £1,967,250 which will be funded from RTB receipts and paid to Christian in two tranches, 50% upon signing the grant agreement in 18-19 and 50% in 19-20 upon project completion.
- 6.1.2 The granting of these sums to RP's means that they are required to match fund the grant sums with a 70% contribution from their own resources. This means that the Council does not have to find the 70% match funding from within its HRA.
- 6.1.3 The grants will be made from the Council's General Fund Capital Programme (Scheme C380143), with the corresponding capital receipts transferred to fund them.

### **6.2 Legal Implications**

- 6.2.1 Local Government Act 1972 ("LGA") gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions.
- 6.2.2 S. 112 LGA permits the appointment of such officers that the Council deems necessary for the discharge of its functions. The proposals set out in this report are consistent with this power.

6.2.3 Under s.8 Housing Act 1985 (“HA”) the Council as local housing authority has a duty to keep under review the provision of housing in its area, and has power under s.9 HA to provide housing accommodation through erecting or acquiring houses. Local authorities also have a general fiduciary duty to Council Tax payers and must therefore take whatever is the overall most reasonable and cost effective course of action in order to deliver best value from land owned by them.

6.2.4 S.1 Localism Act 2011 permits the Council to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. Creating stronger communities and addressing current housing needs are key priorities for the Council.

6.2.5 As mentioned in KD4573, provided that the:

(a) evaluation criteria used to award the grant allocations to the organisations have been consistently and fairly applied and the;

(b) competition process utilised was in accordance with the principles of the Council’s Contract Procedure Rules (“CPRs”) and the overarching EU Treaty Principles

then, despite the grant allocations being arguably able to be deemed public contracts (under the Public Contracts Regulations 2015 (“PCRs”) and having values above the applicable EU threshold £164,176 (whereby an OJEU notice would be appropriate unless an exemption applies), the award of the grant allocations should present a low level of risk to the Council going forward, given that the awardees themselves are representative of the very organisations who could constitute possible challengers (were they not awardees in this instance).

6.2.6 With reference to any challenge to the awards, based on the PCRs: if challenged, as long as the Council in this instance, can point to a transparent, and fair (if limited) competition process, there should be a low level of risk of any successful challenge being brought under the PCRs.

6.2.7 Not having gone out to OJEU in these circumstances, it must be borne in mind that there is always the possibility of any registered provider who feels they may have been unfairly excluded from the selection of RP’s who were chosen to be invited to express an interest, bringing a challenge to the awards - though that risk is low, given that the current awardees themselves represent the possible range of challengers that could be expected to come forward).

6.2.8 All risks associated with the amount and time of payment of the grant have been mitigated by the robust ‘claw back’ clauses contained within the grand funding agreement, which is to be signed between the RP and the Council.

6.2.9 This report constitutes a Key Decision and the Council's Key Decision process must be followed.

6.2.10 Any resultant legal agreements, including the grant funding agreement, must be approved by Legal Services on behalf of the Director of Law and Governance.

### **6.3 Property Implications**

There are no direct property implications arising from the issuing of grant to CAHA however, an appropriate mechanism should be put in place to ensure that the grant funding is secured against the registered title upon which the 24 housing units are to be constructed.

## **7. KEY RISKS**

7.1 If the Council does not do this there is a risk that it could fail to meet its statutory obligations to households on the housing register.

7.2 There is a possibility of the RTB receipts not being spent within the specified timeframe. If this were to happen the Council would not only have to repay any unspent amounts but also pay interest of 4% above the base rate compounded, from the time the receipt was generated.

7.3 To mitigate this risk, the Council will enter a grant funding agreement with successful grant recipients which would enable a swift draw down of grant.

7.4 This arrangement will allow grant to be drawn down within new prescribed deadlines thereby reducing the possibility of returning unspent amounts with interest to the DCLG.

7.5 The grant agreement will include a rigorous and robust claw back arrangement to ensure repayment of grant in the event of default.

## **8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **8.1 Good homes in well-connected neighbourhoods**

Supporting development of new housing will enable the Council to increase the portfolio and quality of stock it has to discharge its statutory housing responsibility to households that live in the Borough.

### **8.2 Sustain strong and healthy communities**

Any increase in the provision of housing within the Borough is likely to make a positive contribution to strengthening communities.

### **8.3 Build our local economy to create a thriving place**

Developing good quality housing in areas where people desire to live will help to create and maintain strong sustainable communities.

## **9. EQUALITIES IMPACT IMPLICATIONS**

The Council recognises that providing good quality, affordable housing within the Borough helps those most in need of a home and least able to afford property on the open market.

An Equalities Impact Assessment (see Background Documents), shows that the allocation of funding to CAHA does not discriminate against any group sharing a protected characteristic. The EQIA highlights benefits to clients in protected groups such as those with disabilities, ethnic minorities, elderly persons and single pregnant women.

The Council will retain 100% of the initial nomination rights and properties will be allocated in accordance with the Councils current procedure. CAHA has a Equality, Diversity and Inclusion Strategy.

## **10. PERFORMANCE AND DATA IMPLICATIONS**

The Council recognises that providing good quality, affordable housing within the Borough helps those most in need of a home and least able to afford property on the open market.

A scoping Equalities Impact Assessment, (see Background Documents) has been completed. This highlights benefits to clients in protected groups such as those with disabilities, ethnic minorities, elderly persons and single pregnant women.

No specific negative impact has been identified.

## **11. PUBLIC HEALTH IMPLICATIONS**

Housing is a basic human right without which it is extremely difficult to adopt or maintain a healthy lifestyle. The life-expectancy of the homeless is approximately half that of the general population. Funding further housing in the borough therefore will be instrumental in improving health.

### **Background Papers**

EQIA

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

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**MUNICIPAL YEAR 2018/2019 REPORT NO.****MEETING TITLE AND DATE:**

Corporate Insurance Arrangements  
04/03/19

**PORTFOLIO DECISION  
OF**

Cabinet Member for  
Finance & Procurement

**REPORT OF:**

Executive Director of  
Resources

Item:

Agenda – Part:1

**Subject: Corporate insurance  
Arrangements**

**Wards: ALL  
Key Decision No:4660**

**Cabinet Member consulted: Cllr Maguire**

Contact officer and telephone number:

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**1. EXECUTIVE SUMMARY**

1.1 The Council's insurance cover is provided through a mix of internal (self-insurance) and external arrangements. Having adequate external insurance in place is integral to the functioning of the authority, enabling the Council to meet insurable financial losses that may arise from the delivery of services.

1.2 The Council's existing insurance contract is due to expire on 31/03/19. A tender exercise has now been carried out for the Council to enter into a five year Long Term Agreement (LTA) for 01/04/19 – 31/03/24.

1.3 Tender evaluation and pricing information are detailed within the enclosed Part 2 report.

1.4 The Council is a founding member of the Local Government Association (LGA) Mutual and remains committed to joining the mutual at some stage. We have thoroughly investigated the possibility of joining the mutual for this Contract and based on the information currently available it is difficult for the Council to make a financial commitment at this point. However, this route will be considered at the 3 year break of the contract.

**2. RECOMMENDATIONS**

2.1 To award the main corporate insurance contract and the leasehold right to buy contract to the recommended bidders as detailed in the Part 2 report.

2.1 To note the savings achieved through this tender exercise.

### 3. BACKGROUND

#### 3.1 Current Insurance Arrangements

The Council's Insurance programme consists of the leasehold right to buy policy (which is recharged in full to leaseholders) and the main corporate insurance policies which cover the usual business activities of the Council. A summary of the current insurance arrangements are detailed in paragraphs 3.1 and 3.2 below –

##### 3.1.1 Corporate Insurance Cover

The Corporate insurance cover is provided through a mixture of internal (Self-insurance) and external arrangements. The Council's insurance fund meets the costs of self-insured claims and claims within the policy excesses, up to the aggregate stop limit (maximum payable by the Council in each policy year). Costs of claims above these levels are met by the external insurance providers.

The different categories of insurance under the current contract are detailed below –

Category	Insurer	Policy Deductible (excess)
Property	Zurich Municipal	£500,000
Additional covers Property	Zurich Municipal	£0 - £10,000
Liability	Aspen	£500,000
Fidelity Guarantee	Zurich Municipal	£25,000
Motor	Zurich Municipal	£500,000
Group Personal Accident & Travel	Zurich Municipal	£0
Engineering Inspection	Zurich Municipal	n/a

##### 3.1.2 Leasehold Right To Buy Buildings Insurance Cover

As a freeholder, the Council arranges buildings insurance on behalf of its residential leaseholders. The insurance provides 'standard cover' and is rated on a bedroom basis, which in effect means that premiums are set on a one, two, three or four bedroom unit, regardless of their location and actual rebuild value.

A summary of the arrangement is detailed below

Number of bedrooms	Number of units	Insurer
1	858	OCASO
2	2518	
3	1501	
4	9	

## **3.2 Review of current insurance arrangements**

3.2.1 The Council's existing insurance contract is due to expire on 31/03/19.

3.2.2 An actuarial review was undertaken in 2017/18 with the objective to ensure that the Council was achieving value for money whilst ensuring that suitable cover was in place to mitigate their insurable risks.

3.2.3 As part of this review, the Council's financial position, claims history, current insurance position, statutory position and risk profile were considered in detail. Consideration was also given to an alternative, higher deductible. This review allowed the Council to review the insurance programme to ensure that it had the right balance between risk and reward and to calculate the impact of considering a higher deductible.

3.2.4 Insurers tend to view local authorities as high risk mainly due to the risks associated with many statutory council functions and also the traditional risk structuring such as low policy excesses that many local authorities have historically favoured.

3.2.5 Due to the increased costs of premium at last renewal, it was considered that the Insurance Contract should be tendered rather than try to agree a one year extension. Tendering the Contract was favoured as it was likely to provide some premium savings. A one year extension was likely to result in a significant increase in premium.

## **3.3 The tender exercise**

3.3.1 The Insurance market is somewhat restricted for Local Authority risks and the market can be influenced by various factors such as expensive claims, global exposures and the economic climate. Insurers tend to mitigate their losses by imposing stricter requirements and raising premiums.

3.3.2 The local authority insurance market has traditionally been dominated by three major Insurers. Given the complex nature of insurance and to enable the council to access other Insurers and generate market interest, JLT Speciality Ltd, a firm of Insurance brokers, was appointed to conduct the tender exercise.

3.3.3 The Insurance Contract was split into Leasehold right to buy insurance cover and the main Corporate Insurance cover.

3.3.4 For the Main Corporate Insurance Cover the Crown Commercial Services (CCS) Framework for insurance (RM3731) was used. This framework provides a list of insurance companies who have already expressed interest in the public sector insurance market. All providers have already been initially assessed as being capable of providing the range of insurances required by local authorities. This reduces the risk of the Council

placing business with an insurer who may not have adequate financial capabilities or who is unable to provide adequate coverage or fully appreciate the specialised risks involved in Council operations.

3.4.5 Most insurers who are capable and willing to insure local authorities are already on the CCS Framework. Their terms & conditions have already been agreed and the need to conduct lengthy negotiation or consultation is reduced. Non-cashable savings will be made because the timescales of the process and the resources required will be reduced. However, a Brokers Management fee of 0.75% premium and Insurance Premium Tax (IPT) is payable.

3.4.6 By using the framework route it is hoped that competitive rates will be offered as a result of comparison between providers that are already assessed as capable of supplying to the local authority market. This approach was used successfully in the previous tender in 2014 (Key Decision 3810) and also for the appointment of Aspen for public Liability insurance in 2015 (Key Decision 3994), both of which resulted in a small decrease in premium costs.

3.4.7 For the leasehold right to buy insurance contract the CCS framework was not used. The market for this type of insurance is extremely limited and one large insurer (who is the Council's current leasehold right to buy Insurer) is no longer listed on the CCS framework. To ensure that the contract was opened up to as many bidders as possible a decision was made to procure this insurance via the OJEU process.

3.3.8 For the main Corporate insurance cover, the risks were split into the following lots –

Lot 1	Property – including Material Damage, Contract Works, Commercial Leased properties, Fine Arts
Lot 2	Liability
Lot 3	Fidelity Guarantee (FG)
Lot 4	Motor, including uninsured loss recovery
Lot 5	Group Personal Accident (PA) & Travel
Lot 6	Engineering Inspection

3.3.9 Quotations were sought for cover based on the existing deductibles and also for an increased deductible on a number of specified lots – please see below

Lot	Description	Current	Alternative
1	Property	£500,000	£1,000,000
2	Liability	£500,000	£1,000,000
3	Fidelity Guarantee (FG)	£25,000	£25,000
4	Motor	£500,000	£1,000,000
5	Group Personal Accident (PA) & Travel	£0	£0
6	Engineering Inspection	n/a	n/a

*Please note that Lot 6 is in relation to statutory inspections for Engineering equipment/plant and no deductible is applicable, as this is not technically an insurance cover.*

3.3.10 In addition to the 2 deductible options the Council also requested bidders to provide quotations which would include a break clause, so the Council could cancel the Contract at any time to join the Local Government Association Mutual, if they so wished, without any financial penalties being imposed.

3.3.11 All quotations were requested on a 3 +1 +1 duration (after 3 years the Council has the option to cancel or extend the LTA for 2 years on an annual basis) with and without the break clause.

3.3.12 During the tender period a project was undertaken to re-evaluate all Council buildings to ensure that the sum insured figure was an accurate reflection of the Council's risks. As a result of this exercise the sum insured increased dramatically for all council owned buildings, including Schools and leasehold Right to buy properties.

3.3.13 On the positive side the Council's claims experience is good and is a positive reflection of the sound risk management policies and processes that exist within departments.

3.3.14 All received bids were evaluated by considering not only the price, but also the quality of the offering. The bids were assessed using the following weightings -

Lot No. & Description	Weighting			
	Price	Policy cover	Claims Service	Added Value*
Lot 1 (Property) Lot 4 (Motor) Lot 5 (PA/Travel)	60%	20%	10%	10%
Lot 2 (Liability)	50%	30%	10%	10%
Lot 3 (FG)	65%	25%	5%	10%
Lot 6 (Engineering)	55%	35%	n/a	10%

*\*to include policy add-ons, risk management, social benefits, innovation*

3.3.15 With regards to the assessment on price maximum points were awarded to the lowest bidder. A formula was used to adjust the scores for all remaining bidders to reflect the percentage difference in price. For each 1% higher the premium is than the lowest price quoted 6 points were deducted.

3.3.16 For the Leasehold Right to buy Contract, tenders were sought for 1 contract duration on a Long Term Agreement; 3 +1 +1 years (after 3 years the Council has the option to cancel or extend the LTA for another year). Quotations for the provision of a break clause were also sought, but no bids were received.

3.3.17 For the leasehold right to buy contract, bids were assessed against the criteria set out in figure 1 below –

Criteria	Weighting
Price	55%
Assessment of Policy Cover and Administration Requirements	30%
Claims Service	10%
Added Value ( <i>policy add-ons, risk management, social benefits</i> )	5%

### 3.4 Tender responses

3.4.1 6 Insurers submitted quotations for lots under the Corporate Insurance cover contract and 4 Insurers submitted quotations for the leasehold right to buy insurance contract. Full details are contained within the Part 2 report.

### 3.5 Points to note

3.5.1 The recommended bid is for a five year contract duration (3 year +1 +1) subject to an annual review retaining the current deductible levels. This LTA will offer the Council the benefit of premium discounts and fixed rates throughout the duration of the contract.

3.5.2 As is typical with Insurance LTAs there are usually no breaks during the fixed contract duration. However, quotations have been requested to include a break clause, which would allow the Council to terminate the contract during the contract duration with no financial penalties. It should be noted that the quotations which provide a break clause attract a higher premium, which would need to be paid for the duration of time that the Council's risks were insured with the relevant insurer. Please see Part 2 of the report which details which Insurers have provided quotations for this scenario.

3.5.3 Where Insurers have not provided quotations for a break clause, were the Council to opt to terminate the contract before the end of the 3 year duration, it could be liable to repay to the Insurers all discounts offered as part of the LTA.

3.5.4 The premiums offered are valid for a specific duration of time (only for timescales specified in this tender exercise) and are based on the Council's current risk profile, claims experience and total property valuation.

3.5.5 The premiums may be subject to change if there is a deterioration in the Council's risk profile, claims experience or total property valuation.

3.5.6 Where the Council acquires a significant number of properties during the insurance contract period, there is flexibility to add these to the insurance contract although an additional premium may be required.

3.5.7 All Council residential leaseholders were consulted in line with the requirements under Section 20 of the Landlord Tenant Act.

3.5.8 All premiums payable for the leasehold right to buy contract are paid by leaseholders via annual service charges and all savings achieved under the leasehold right to buy tender are passed onto the Council's residential leaseholders.

## **4. ALTERNATIVE OPTIONS CONSIDERED**

### **4.1 Increased deductibles**

4.1.1 Quotations were sought, in respect of the main classes of business (Property, Liability and Motor), for the existing deductible (£500,000) and an increased deductible of £1,000,000.

4.2.2 All bidders provided quotations for both levels. an increased deductible for the main classes of business.

4.2.3 Whilst an increased deductible would provide some premium savings, a balance needs to be made between any premium savings and the risk of the Council receiving a claim that is valued over the existing deductible of £500,000. The quotations received are unlikely to provide sufficient savings to offset the risk of a high value claim being made in the Contract year.

### **4.2 Joining the Local Government Association (LGA) Mutual**

4.2.1 Due to the limited number of insurance companies in the market willing to insure local authorities, the LGA are developing an Insurance Mutual. The Mutual aims to offer affordable, high quality risk transfer and risk management through a mutual structure for the benefit of the local government sector.

4.2.2 The London Borough of Enfield is a founding member of the LGA Mutual and it was hoped that the Mutual would be able to provide terms to the Council for insurance cover to commence on 01/04/19. However, at the time of tendering the Contract in December 2018 the LGA Mutual was unable to offer any terms, as they were still in the process of finalising their business model.

4.2.3 Discussions have taken place between the Council and the LGA Mutual. The LGA Mutual has advised that they will be able to provide quotations from 01/04/19; although it is unclear when cover could commence. Unfortunately it is not possible to delay placement of the Council's insurable risks until more is

known about what the Mutual have to offer because the Council's existing insurance policies expire on 31/03/19 and it would be an unacceptable risk to leave the Council wholly uninsured for any period of time.

4.2.4 The Mutual have advised that they should be able to offer terms to the Council for insurance cover to commence on 01/04/20; at which point the Council may wish to place their insurable risks with the LGA Mutual. In order to keep this as an option the Council would need to place the business with those Insurers who have provided a break clause.

4.2.5 The LGA Mutual have confirmed that the Council would not be required to place all their insurable risks with the Mutual, however if the Council wishes to join the Mutual then they would be required to place significant classes of business, such as Lot 1 (Property) and Lot 2 (Liability) with the LGA Mutual.

4.2.6 Fewer insurers provided break clause quotations than provided quotations for the standard 3 +1 +1 duration, with the quotes including a break clause costing significantly more than those without a break clause. Retaining the option of joining the LGA Mutual in one or two years rather than wait for the 3 year renewal break would be more expensive.

### **4.3. Self-insurance**

4.3.1 Self-insurance would result in premium savings but brings the need to maintain adequate level of resources to meet all likely claims/ liabilities against the organisation.

4.3.2 If the contract is not re-tendered, the Council will have to completely self-insure against its liabilities. The ability to self-insure is dependent on the provision and maintenance of an adequate internal insurance fund, which for complete self-insurance may be in the tens of million pounds.

4.3.3 As a measure of the risk arising from claims against the Council over the last five years, the value of reserves has fluctuated between £402k to £3.4m, with reserves in excess of £1m for a small number of claims. Whilst the value of future claims is difficult to predict, it would be necessary to increase the value of the Fund to cover these potential liabilities. In the current financial climate, it is prudent to continue to insure externally for those major/ catastrophic risks that the Council may not be able to meet should they occur.

## **5. REASONS FOR RECOMMENDATIONS**

5.1 To award the Insurance contracts to the recommended bidders as detailed in the Part 2 report will ensure the Council complies with legislative requirements and has adequate financial protection in the event of a major loss.

## **6. COMMENTS FROM OTHER DEPARTMENTS**

### **6.1 Financial Implications**

See Part 2 report. As a result of this procurement exercise the Council have been able to negotiate significant savings.

### **6.2 Legal Implications**

6.2.1 Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions.

6.2.2 Furthermore, the Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles.

6.2.3 The insurance services are above the threshold where the Public Contracts Regulations 2015 (the Regulations) require a European tender exercise. For its corporate insurance cover, the Council has conducted a mini competition under CCS Framework Agreement for Insurance (RM3731). The service has confirmed that the Council is a Contracting Authority which is eligible to use this Framework Agreement. The use of Framework Agreements is compliant with and allowed for in the Regulations.

6.2.4 For the Leasehold right to buy insurance cover, the service has confirmed that an OJEU process was conducted in accordance with the Regulations.

6.2.5 The decision to award the insurance contracts is a Key Decision and therefore needs to comply with the Council's governance process in respect of Key Decisions including publication in the Forward Plan (see CPR1.22.4).

6.2.6 The contracts need to be in a form approved by the Director of Law and governance.

6.2.7 The Cabinet Member has power to approve these recommendations under CPR 1.22.

### **6.3 Property Implications**

Property Services have been consulted on this process and the schedules of property to be insured have been checked.

## **6.4 Procurement Implications**

The procurement has been carried out in line with the Councils Contract Procedure Rules, EU and UK regulations.

## **7. KEY RISKS**

7.1 If the Council fails to procure a new insurance contract, its assets and liabilities will be uninsured with effect from 01/04/19.

7.2 Where financial liabilities are or could be incurred, adequate funds must be set aside to meet them. In the absence of adequate external insurance arrangements, the Council will potentially be faced with unlimited financial liabilities.

7.3 There is a risk of the premiums rising within the duration of the Contract due to a deterioration in claims experience, change in risk profile or an increase in sums insured.

## **8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **8.1 Good homes in well-connected neighbourhoods**

Adequate insurance ensures the protection of an adequate housing supply in the event of a catastrophic loss of housing stock.

### **8.2 Sustain strong and healthy communities**

Safeguarding the Council's funds ensures that necessary monies are preserved for vital council services, such as those who benefit the health of the community.

### **8.3 Build our local economy to create a thriving place**

For those considering an event/project with the Council knowing that the Council has adequate insurance may influence their decision to invest. The presence or lack of insurance may be the deciding factor for those considering investing in the local economy or contemplating working in partnership with LBE for a joint initiative or event. It is therefore imperative for the Council to be adequately insured, so as to attract investment and initiatives that allow Enfield to thrive.

## **9. EQUALITIES IMPACT IMPLICATIONS**

It is not relevant or proportionate to undertake an equalities impact assessment/analysis of the tender of the Council's Insurance contract as the items summarised in this report only affect the Council's ability to meet financial losses arising from its insurable risks.

Where a third party suffers loss due to negligence on part of the Council, the loss will be assessed on the basis of legal liability determined by the facts of the incident and not on an individual's personal circumstances or characteristics.

#### **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

There are no specific performance management implications arising from this report.

#### **11. HEALTH AND SAFETY IMPLICATIONS**

There are no direct health & safety implications arising from this report.

#### **12. HUMAN RESOURCES IMPLICATIONS**

There are no direct HR implications arising from this report.

#### **13. PUBLIC HEALTH IMPLICATIONS**

Items summarised in this report do not have a direct impact on the health and well-being of the public in Enfield.

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

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