

DMPC Decision – PCD 804

Title: Insurance Programme Procurement – contract tender and award

Executive Summary:

Authority is required for insurance premium expenditure greater than the authority delegated by the MOPAC Scheme of Delegation; therefore requiring approval from the Deputy Mayor for Policing and Crime.

Within an Insurance Programme, MOPAC-MPS purchases two insurance policies that were previously awarded 4 and 5 years ago following competitive tenders, however, are coming to the end of their long-term agreements on 1st October 2020.

The particular way the insurance market works, the periods required by the tender and the need for decisions to be made before cover expires on 1st October 2020, means that this paper, as in previous years, seeks approval to obtain terms and award, within agreed financial parameters. The expected premium payable is already budgeted for within the existing revenue budget.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

Approve action to conduct a tender for Property insurance and General Legal Liability Insurance and award contracts with agreed financial parameters, in protection of MOPAC-MPS property assets and potential legal liabilities, which are due to expire on 1st October 2020.

Deputy Mayor for Policing and Crime


I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

Date

3/8/20



PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. This proposal needs to be considered because MOPAC-MPS purchases two insurance policies that were previously awarded under a long-term agreement that is coming to an end on 1st October 2020. Because the premium levels involved are greater than the authority delegated by the MOPAC Scheme of Delegation, approval needs to be sought from the Deputy Mayor for Policing and Crime.
- 1.2. The MOPAC/MPS purchases this insurance to mitigate the potential financial and business impact of risks by transferring them to an insurance company. The insurance policies to be tendered form part of a range of insurance policies within an insurance programme covering MOPAC-MPS assets and potential legal liabilities. This should be noted in the context that MPS has property assets with a rebuilding and replacement value in the region of £2bn and can be subject to unlimited legal liabilities arising from injury to persons and damage to third party property.
- 1.3. The MOPAC/MPS uses its size and leverage to maximise insurance premium savings and employs a qualified in-house insurance professional, the Head of Insurance and Claims Services, who in liaison with the appointed Insurance Broker, ensures that all policies are suitable.
- 1.4. The nature of the insurance market and the required timings to conduct the procurement does not match with the MOPAC governance process. This paper therefore seeks empowerment to conduct the procurement via a tender and award within agreed parameters. It is the first year of a three-year Insurance Strategy that was previously approved by the Deputy Mayor for Policing and Crime (DMPC) (under decision number PCD607 dated 19/07/19), which these two insurance policies are in line with.

2. Issues for consideration

- 2.1. We will be conducting a Restricted Tender, compliant with OJEU requirements, in order to get the best possible response from the broadest possible market, disclosing information required by prospective insurers satisfying pre-tender qualification and remaining compliant with Procurement Regulations for the Public Sector.
- 2.2. The current annual insurance cost is contained in the restricted section of the report and approval is requested to tender and award the contract up to a budgeted value also set out in that restricted section.
- 2.3. Maintenance of this insurance cover provides critical financial risk transfer
- 2.4. Given the requirements of the insurance market, timescales requirements by an OJEU compliant tender and the need to prepare for cover to continue beyond expiry on 1st October, preparatory activity is already under way in the early stages of the tender process, without commitment to premium costs.

3. Financial Comments

- 3.1. The current annual insurance cost of these insurances is commercially sensitive and set out in the restricted section of this report. Approval is sought to conduct a tender and award up to a budgeted value also set out in the restricted section of the report.
- 3.2. The intention is to maintain the insurance premium at the expiring premium level or under, however there is a possibility that renewal terms will be at a higher cost depending on terms received from the insurance market. We would seek to manage any increase in the cost of the insurance premium within the overall Insurance Programme revenue budget.
- 3.3. There is no impact on the Capital Plan
- 3.4. The insurance policies will be procured via an OJEU compliant tender process, supported by our contracted insurance broker, managed by the MPS Head of Insurance and Claims Services and in liaison with the MPS Commercial department

4. Legal Comments

- 4.1. On approval of the recommendation, tender and award will be conducted in accordance with the Public Contract Regulations 2015, EU law and the MOPAC's Scheme of Delegation and Consent. Commercial Services are engaged in the process and legal advice from the Directorate of Legal Services is sought as required.
- 4.2. The Mayor's Office for Policing Crime is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £181,302 or above will be procured in accordance with the Regulations.
- 4.3. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all requests to go out to tender for contracts of £500,000 or above.

5. Commercial Issues

- 5.1. The insurance policies will be procured via an OJEU compliant tender process, supported by the MPS contracted insurance broker, managed by the MPS Head of Insurance and Claims Services and in liaison with the MPS Commercial department.

6. GDPR and Data Privacy

- 6.1. GDPR matters have been discussed with the Data Protection Officer, who has confirmed that no Data Protection Impact Assessment (DPIA) is required for this programme. However, the personal details of any individuals or organisations with whom contact is made for the purposes of the engagement will be managed in accordance with MOPAC's wider Privacy Notice. Any organisation that is contracted to conduct work in support of

this programme will be required to sign a MOPAC contract that will specify their GDPR responsibilities.

7. Equality Comments

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. An Equalities Impact Assessment (EIA) has been completed which evidences those disproportionately affected by stop and search.
- 7.3. There are no known negative equality or diversity implications

8. Background/supporting papers

- 8.1. The MPS report.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date: [Insert date]

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice:

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

The Contract Management Team has been consulted on the commercial issues within this report. The proposal is in keeping with the GLA Group Responsible Procurement Policy.

✓

GDPR/Data Privacy

- A DPIA is not required.

✓

Director/Head of Service:

The CFO has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.



Signature

Date 29/7/20



MOPAC

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

**Insurance Programme Procurement – contract tender and award:
Property Insurance and General Liability Insurance**

MOPAC Investment Advisory & Monitoring meeting 25th June 2020

Report by the Head of Insurance and Claims Services on behalf of the Chief of Corporate Services

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

We need to tender for two insurance policies.

Authority is required for insurance premium expenditure greater than the authority delegated by the MOPAC Scheme of Delegation; so requiring approval from the Deputy Mayor for Policing and Crime.

Within an Insurance Programme, MOPAC-MPS purchases two insurance policies that were previously awarded 4 and 5 years ago following competitive tenders, but are coming to the end of their long-term agreements on 1st October 2020.

The particular way the insurance market works, the periods required by the tender and the need for decisions to be made before cover expires on 1st October 2020, means that this paper, as in previous years, seeks approval to obtain terms and award, within agreed financial parameters. The expected premium payable is already budgeted for within the existing revenue budget.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. **Approve action to conduct a tender for Property Insurance and General Legal Liability Insurance and award contracts within agreed financial parameters, in protection of MOPAC-MPS property assets and potential legal liabilities, which are due to expire on 1st October 2020.**

Time sensitivity

A decision is required from the DMPC by 17th July 2020. This is because the OJEU compliant tender requires key decisions at set milestones, to ensure cover is in place before expiry of the current cover on 1st October 2020.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

Introduction and background

1. This proposal needs to be considered because MOPAC-MPS purchases two insurances policies that were previously awarded under a long-term agreement that is coming to an end on 1st October 2020. Because the premium levels involved are greater than the authority delegated by the MOPAC Scheme of Delegation, approval needs to be sought from the Deputy Mayor for Policing and Crime.

2. The MOPAC/MPS purchases this insurance to mitigate the potential financial and business impact of risks by transferring them to an insurance company. The insurance policies to be tendered form part of a range of insurance policies within an insurance programme covering MOPAC-MPS assets and potential legal liabilities. This should be noted in the context that MPS has property assets with a rebuilding and replacement value in the region of £2bn and can be subject to unlimited legal liabilities arising from injury to persons and damage to third party property.

3. The MOPAC/MPS uses its size and leverage to maximize insurance premium savings and employs a qualified in-house insurance professional, the Head of Insurance and Claims Services, who in liaison with the appointed Insurance Broker, ensures that all policies are suitable.

4. The nature of the insurance market and the required timings to conduct the procurement does not match with the MOPAC governance process. This paper therefore seeks empowerment to conduct the procurement via a tender and award within agreed parameters.

We are in the first year of a three-year Insurance Strategy that was previously approved by the Deputy Mayor for Policing and Crime (DMPC) (under decision number PCD607 dated 19/07/19), which these two insurance policies are in line with.

Issues for consideration

5. We will be conducting a Restricted Tender, compliant with OJEU requirements, in order to get the best possible response from the broadest possible market, disclosing information required by prospective insurers satisfying pre-tender qualification and remaining compliant with Procurement Regulations for the Public Sector.

6. The current annual insurance cost is contained in the restricted section of the report and approval is requested to tender and award the contract up to a budgeted value also set out in that restricted section.

7. Maintenance of this insurance cover provides critical financial risk transfer.

8. Given the requirements of the insurance market, timescales requirements by an OJEU compliant tender and the need to prepare for cover to continue beyond expiry on 1st October, preparatory activity is already under way in the early stages of the tender process, without commitment to premium costs.

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

9. This insurance procurement activity will protect MPS/MOPAC from certain insurable financial risks that are large enough to be prejudicial to the execution of the Police and Crime Plan and should be transferred to insurers.

Financial, Commercial and Procurement Comments

10. The current annual insurance cost of these insurances is commercially sensitive and set out in the restricted section of this report. Approval is sought to conduct a tender and award up to a budgeted value also set out in the restricted section of the report.

11. The intention is to maintain the insurance premium at the expiring premium level or under, however there is a possibility that renewal terms will be at a higher cost depending on terms received from the insurance market. We would seek to manage any increase in the cost of the insurance premium within the overall Insurance Programme revenue budget.

12. There is no impact on the Capital Plan.

13. The insurance policies will be procured via an OJEU compliant tender process, supported by our contracted insurance broker, managed by the MPS Head of Insurance and Claims Services and in liaison with the MPS Commercial department.

Legal Comments

14. On approval of the recommendation, tender and award will be conducted in accordance with the Public Contract Regulations 2015, EU law and the MOPAC's Scheme of Delegation and Consent. Commercial Services are engaged in the process and legal advice from the Directorate of Legal Services is sought as required.

Equality Comments

15. There are no known negative equality or diversity implications.

Privacy Comments

16. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.

Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.

The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the tender project meets its compliance requirements.

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

The tender project does not currently use personally identifiable data of members of the public, so there are no current GDPR issues to be considered. If after the tender project there is use of personally identifiable data of members of the public then DPIAs will be completed as needed.

Real Estate Implications

17. There are no changes to the estate associated with this report.

Environmental Implications

18. There are no environmental implications associated with this report.

Background/supporting papers

19. There are no supporting papers that are suitable for publication.

Report author: Gary McCulloch, Head of Insurance and Claims Services, Tel 020 7161 2944

Part 2 – This section refers to the details of the Part 2 business case, which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of 'Insurance Programme Procurement – contract tender and award: Property Insurance and General Liability Insurance' is exempt from publication for the following reason; exempt from publication under Commercial Interest Section (s.43) of Freedom of Information Act.

The paper will cease to be exempt on 01/01/2031.