

STAGE 1 FORM - APPROVAL TO PROCEED TO TENDER

Following the introduction of new Spend Control Processes, this form must be completed for all procurements above £25,000. If contract value is over Cabinet approval threshold (£500,000) this form shall be appended to the Cabinet report - this form will be "open" for publication.

Once completed, this form must be sent to the relevant Category Manager.

1.	CONTRACT DETAILS		
1.1	Contract title	Tender of Insurance and Associated Services	
1.2	Reference number	PS-2023-066	
1.3	Responsible Officer	Andy Owen – Corporate Risk & Insurance Manager	
1.4	Directorate	Resource & Place Delivery	
1.5	Contract description	Tender for the Council's Insurance program as the current contract is due to end on 31/03/2024.	
1.6	Applicability of off payroll working (IR35) rules*	Is this an applicable contract?	No
		Employment status for tax**	N/A
1.7	Proposed contract start	01/04/2024	
1.8	Proposed contract end	31/03/2027	
1.9	Proposed extension options	3 year initial period (2024/25 to 2026/27) plus option for a further 2 year period (2027/28 & 2028/29)	
1.10	Estimated contract value	Excluding VAT	£ 6,000,000
		Including VAT ¹	£ 6,020,000

2.	BUSINESS CASE		
2.1	Business case	<p>The current Insurance Contract is due to end on 31/03/2024.</p> <p>The Public Sector insurance market is a specialist area and the majority of Insurers will only deal via an Insurance Broker Intermediary. A tender was recently carried out for an Insurance Broker Intermediary (Reference Number: PS-2023-004), a Broker has been appointed and will assist the Council with the exercise and ensure that the widest possible selection of providers are engaged in the Insurance and Associated Services tender.</p> <p>The insurance program provides levels of financial protection to the Council and/or service budgets.</p>	
2.2	Expenditure control criteria	The spend is for essential statutory services, goods and/or works	
2.3	Expenditure control justification	Insurance is a mix of statutory cover and other policies which are arranged to provide levels of financial protection to the Council and/or service budgets.	

¹ Required solely to determine whether the contract value exceeds the UK public procurement threshold (which includes VAT)

2.4	Award criteria	Quality 60% Price 40%
2.5	Social Value	The Public Sector Insurance Market is a specialist area and is unlikely to influence the economic, social or environmental wellbeing of the area, however a question regarding contribution to Social Value will be included within the quality element of the tender.
2.6	Previous contract	Current Contract Reference: PS/2018/123 Current Contract Dates: 01/04/2019 to 31/03/2024

3.	FINANCIAL CONSIDERATIONS	
3.1	Previous contract spend	£6M over a 5 year period (2019/20 to 2023/24)
3.2	Scope of changes	The base of information on which the insurance is arranged, will change over the period of the contract (e.g. inflation on property sums insured, changes to wages/salary costs, significant changes to claims position etc.
3.3	Budget considerations	The budget for corporate insurance covers (e.g. Liability) are managed by the Insurance Team and the budgets for other insurance premiums /fees (e.g. Property & Motor) are held across the council within individual service areas.
3.4	Expenditure type	Revenue
3.5	Cost centre	Corporate insurance covers (DA061 & DA065). Various budget codes across the authority for the other insurance covers (e.g. Property & Motor).
3.6	Anticipated savings	No savings are anticipated for this tender.

4.	PROCUREMENT ROUTE	
4.1	Procurement route	Open tender
4.2	Rationale	To Ensure compliance with procurement directives and regulations a tender exercise will be carried out to procure the services. The Council recently appointed an Insurance Broker and the Broker will be used to manage the exercise to ensure the widest possible section of insurance companies are engaged in the tender.

5.	PROPOSED PROCUREMENT TIMETABLE		
5.1	Procurement timetable	Publish Contract Notice	02/10/2023
		Selection Questionnaire return	N/A
		Invitation to Tender issue	02/10/2023
		Tender return	20/11/2023
		Notification of result	01/02/2024
		Standstill period	02/02/2024
		Expected award	13/02/2024
		Contract commencement	01/04/2024

6. RISKS, CONSULTATION AND MANAGEMENT		
6.1	Risk management	<p>Risks – 1. Capacity to undertake/manage the tender could lead to non compliance with time frames and/or directives or regulations, 2. Hard & Specialist Market for Public Sector Insurance could lead to increased premiums/fees, excess/stop loss limits and self funding levels and/or limited response from the market. 3. Financial Health of Prospective Providers of Insurance & Related Services inadequate leading to unsustainable services or provisions</p> <p>Mitigating Actions – 1. Insurance broker to support & manage the tender, outline project plan & timetable drafted and resource identified. 2. Insurance broker to support & manage the tender, review the insurance programme design and ensure the widest possible selection of insurance providers are involved in the tender. 3. Insurance broker to support/manage the tender and regular review/monitoring of the PS insurance market and credit ratings, financial health & performance of potential providers</p>
6.2	Contingency	If any significant delays or issues are encountered with the exercise or procurement and it was established that cover would not be in place for 01/04/2024 the council would look to extend the current insurance arrangements with the existing provider for an appropriate period (e.g. 1 year).
6.3	Consultation	Procurement and Interim Director of Finance consulted on options and way forward. Procurement, Legal & Finance consultation and report to Cabinet, via Senior Leadership Team under the Approval to Tender process. Interim Director of Finance and Departments consultation for the Review of the Insurance Programme Design. Report to Interim Director of Finance, Portfolio Holder and Cabinet, (via Senior Leadership Team) as appropriate on proposals to enter into and award contracts following the procurement process.
6.4	Data Protection**	Personal data will not be processed for the Insurance Tender exercise. Personal Data will be processed under parts of the insurance service (e.g. Claims Handling) and appropriate Data Protection Impact Assessment to be completed for review by Information Governance following the award of the contract
6.5	Project and contract management ²	Tier 2 - Medium Level Contract Management
		Project plan & timetable drafted and resource identified. Insurance Broker to be engaged to manage/support the exercise and to ensure the widest possible selection of insurance providers are engaged in the tender. Corporate Risk & Insurance Manager and Insurance Team Manager to support/manage the project. Procurement to work with the Insurance Team and Insurance Broker to ensure a thorough and commercially robust procurement process applied. Open Procedure for the Tender of Insurance and Related Services will deliver sufficient flexibility for the Council's requirements. Regular monitoring & reporting of project progress and developments to Interim Director of Finance, Senior Leadership Team and Members as appropriate. Service standards incorporated in tender and regular contract monitoring and review arrangements for underwriting and claims handling services to be established with provider(s) following award of contract.
6.6	Will TUPE apply to the proposed contract?	No
		N/A

² Refer to the contract management framework or your category manager for guidance

6.7	Community and Equalities Impact Assessment****	N/A
6.8	Exit strategy	Under Insurance contract if the Insurer breaks the terms (e.g. increase in premiums due to significant change in claims experience or insurance market conditions) then the Council has the option to exit the arrangement and approach the insurance market for the cover. Exit strategy arrangements to be covered in the Invitation to Tender and prospective suppliers bid submissions.
6.9	Collaboration	Insurance contract covers the whole of the council's requirements and Departments to be consulted as part of the Insurance Programme Review Design process.

7.	PROCUREMENT IMPLICATIONS	
7.1	Category Manager comments	Tender to be undertaken by the Insurance Broker, however the documents and responses will be managed via In-tend, the Council's e-tendering portal. Procurement will be involved to ensure correct process is followed.

8.	APPROVALS		
8.1	Authorised Signatory	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to proceed to tender.	
		Comments	
		Delegation level	Cabinet delegated authority to Corporate Director in consultation with the Portfolio Holder (over £500,000)
		Name	Jonathan Wilson
		Signed	<u><i>JDWilson</i></u> JDWilson (Jun 21, 2023 16:32 GMT+1)
		Date	
8.2	Strategic Approval Panel	Decision	ECP
		Panel members	Jo Freeman, Gary Clifford, Vicky MacKenzie
		Date of decision	26/6/23
		Comments	
		Decision sent by	<u><i>Marie Ogles</i></u> Marie Ogles (Jun 26, 2023 14:00 GMT+1)
8.3	Procurement	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Procurement implications	
		Name	Vanessa John
		Signed	<u><i>Vanessa John</i></u> Vanessa John (Jun 30, 2023 09:45 GMT+1)
		Date	
8.4	Legal (only required if spend is above £75k)	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Legal implications	
		Name	Kevin Molloy
		Signed	<u><i>Kevin Molloy</i></u> Kevin Molloy (Jun 30, 2023 15:04 GMT+1)

		Date	
8.5	Finance (only required if spend is above £75k)	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Financial implications	
		Name	Rosie Hurst
		Signed	<u>Rosie Hurst</u> <small>Rosie Hurst (Jun 30, 2023 15:08 GMT+1)</small>
		Date	
8.6	Responsible Officer	I confirm that this procurement will be carried out in accordance with Rule 5 of the Council's Contract Procedure Rules (Chapter 9, Part 2 of the Constitution).	
		Name	Andy Owen
		Signed	<u>AOwen</u> <small>AOwen (Jun 30, 2023 15:46 GMT+1)</small>
		Date	
8.7	Cabinet (only applicable if £500k or over)	Minute number	Enter approval / delegation minute reference
		Date	Click here to enter a date.

*Guidance on the rules surrounding contractor employment status for tax can be found on the below link:
<https://www.gov.uk/guidance/understanding-off-payroll-working-ir35>

**The Check Employment Status for Tax (CEST) tool can be found on the below link:
<https://www.gov.uk/guidance/check-employment-status-for-tax>

***Information on Data Protection and the DPIA form can be found on the following link:
<https://intranet.thurrock.gov.uk/services/information-management/data-protection/>

****You can search for Community and Equalities Impact Assessment guidance using the following link:
<https://intranet.thurrock.gov.uk/document-store/>