

CYNGOR SIR CEREDIGION COUNTY COUNCIL

Report to: Cabinet

Date of meeting: 11 March 2025

Title: Report of the Corporate Lead Officer for Finance and Procurement upon the Council's Insurance Tender

Purpose of the report: To consider the acceptance of the insurance tender

For: Decision

Cabinet Portfolio and Cabinet Member:
Councillor Gareth Davies, Cabinet Member for Finance & Procurement

1. Background

The Council's current Long-Term Agreement (LTA) with the existing insurer is due to expire on 31st March 2025. During November 2024 through to January 2025 the Council's Insurance team working alongside the Procurement team and the Council's Insurance Brokers (Marsh Ltd) marketed the Council's insurance programme via the CPS Insurance Services Dynamic Purchasing System. Fourteen insurance companies were invited to tender in order to secure the most economically advantageous terms. The tender was conducted through the etenderwales portal.

The tender process outcome requires acceptance by Cabinet in order to move into the standstill period which gives unsuccessful bidders the opportunity to challenge the procurement process if they believe there is justification.

2. Procurement Process

The tender was published on the 19th November 2024 with a closing date of the 13th January 2025. Whilst the tender was open there was a clarification period open to potential bidders until 16th December 2025 to allow bidders the opportunity to request further detail around the Council's risk profile and requirements.

The tender was split up into various lots which included a final lot which allowed bidders to bid for a range of lots as a 'package'. Quotations were requested for a three-year Long Term Agreement (LTA) with an option to extend (3+1+1).

The table below shows the lot breakdown.

Lot #	Lot Heading	Includes
1	Property & Material Damage	All Council Properties / Buildings, Cardigan Castle, Business Interruption, Money, All Risks, Works in Progress, Computer, Leasehold Commercial.

2	Combined Liability incl. Fidelity Guarantee	Public Liability, Official's Indemnity & Libel and Slander (all to include Members in their official capacity) plus Employers Liability, Land Charges, Public Health Act, Fidelity Guarantee.
3	Motor Fleet	General Fleet and Leased Vehicles
4	Engineering	Engineering Insurance & Inspection
5	Personal Accident & Travel	To include Employees, Members and Volunteers
6	Package including all above excluding lot 4	Combined (All lots excluding Engineering)

The evaluation was weighted **60% Price and 40% Quality**.

3. Tender Evaluation

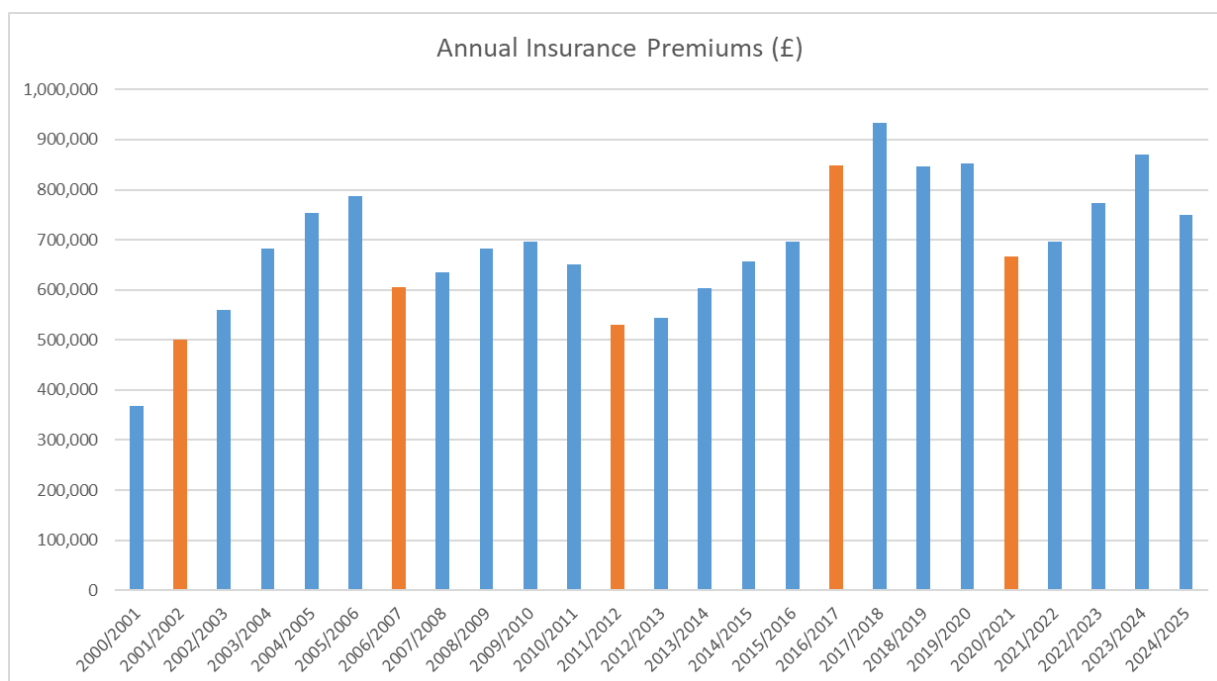
The basis of awarding the contract was on 'the most economically advantageous tender.' The quality of the product was weighted 40% against the price of 60%. The tender evaluation criteria, reflect not only the premiums quoted by Underwriters, but also the quality and depth of the covers and services offered. Each bid was scored by the Council's Insurance Team with input from the Council's Broker.

In total 5 companies submitted bids across all the lots available. Details of the companies and of the evaluation result are included in Appendix 1, which is EXEMPT information by virtue of Paragraph 14 of Part 4 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) (Wales) Order 2007. This is for procedural legal and procurement reasons as it is not possible to publish the proposed winning tenderers details in advance of the formal decision being made and the appropriate Contract Award Notice being issued following that decision.

4. Additional Information

It should be noted that within LTA's premiums are subject to an annual renewal process where contracted insurers will reassess risk and allow for inflationary pressures. Within the LTA the Council will have the option to go back to market if any increases to premiums within the annual renewal are beyond contractual thresholds. The Council always consults with the broker to assess whether increases are reasonable and consistent with wider market conditions. The below chart shows annual premiums since 2000/2001 and illustrates the ebb and flow of premiums as market conditions change. The usual trend is for premiums to increase during the LTA.

Chart 1: Annual Insurance Premiums cost



*Orange denotes Insurance Retender

The insurance policy excesses that are priced in the new LTA are shown within the below table. This is the level that offers the most cost-effective balance between risk and premium cost based on the Council’s risk profile and claims history.

Policy	Single Claim Excess
Combined Liability (Public/Employer)	£100,000
Motor Fleet	£25,000
Property Schools	£75,000
Property General	£15,000

5. Budget

Whilst the 25/26 Insurance Premiums (if accepted as shown in Appendix 1) would be lower than the 24/25 Insurance Premiums, Chart 1 above illustrates that premiums historically increase during each insurance cycle. It would therefore be imprudent to take a base budget saving because a cost pressure in future year’s budgets would almost certainly need to be recognised if this approach was taken. Retaining the existing base budget, as in previous cycles, would enable an equalisation / smoothing approach to be taken using the Insurance reserve as appropriate at each year-end.

Wellbeing of Future Generations:

Has an Integrated Impact Assessment been completed? If not, please state why.

No- The insurance tender exercise doesn’t represent a material change to the Council’s procedure or policies.

Summary of Integrated Impact Assessment:

Long term: N/A
Collaboration: N/A
Involvement: N/A
Prevention: N/A
Integration: N/A

Recommendation(s):

That Cabinet approves the award of the new Insurance Long Term Agreement contract, which will run for a period of 3 years (with an option to extend by 1 year and then a further option to extend by 1 further year) as follows:

Lot	Purpose	Supplier
4	Engineering	Tenderer 5
6	All Other Lots excluding Lot 4	Tenderer 5

Reasons for decision:

- To ensure that the council has appropriate insurance arrangements in place.
- An Open tender process compliant with the Public Contracts Regulations has been undertaken and all received bids being evaluated in a fair and transparent manner.

Overview and Scrutiny:

None

Policy Framework:

Procurement Strategy

Corporate Well-being Objectives:

Ceredigion County Council is an organisation that is fit-for-purpose to deliver improving services to meet the needs of our citizens.

Finance and Procurement implications:

Legal Implications:

Finance and Procurement Service Budget. Also ensuring the Council has appropriate insurance policy cover in place.

Staffing implications:

None

Property / asset implications:

Ensures Council assets has the appropriate insurance cover

Risk(s):

That Council risks are not insured appropriately. The Insurance team has worked with all Council services to identify Council risks/assets.

Background Papers:

None

Appendices:

Appendix 1 – 2025 Insurance Tender Evaluation - EXEMPT INFORMATION

Corporate Lead Officer:

Duncan Hall, Corporate Lead Officer: Finance & Procurement

Reporting Officer:

Justin Davies, Corporate Manager: Core Finance

Date:

12 February 2025