

## REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD203

### Title: Provision of Insurance Services 2023-24

#### Executive summary:

This report requests the approval of the Deputy Mayor for Fire and Resilience to authorise the London Fire Commissioner (LFC) to commit revenue expenditure of up to £3,806,322 for the purpose of putting in place insurance arrangements for 12 months, from 1 July 2023 to 30 June 2024.

This decision is required to replace the current arrangements, which will come to an end on 30 June 2023; and to cover the 12-month period ahead of a full tender process to put in place insurance arrangements for up to five years from 1 July 2024.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the LFC to seek the prior approval of the Deputy Mayor before “[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...”.

#### Decision:

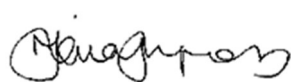
That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner to commit revenue expenditure of up to £3,806,322 for the purpose of putting in place insurance arrangements for 12 months from 1 July 2023.

#### Deputy Mayor for Fire and Resilience

I confirm that I do not have any disclosable pecuniary interests in the proposed decision.

The above request has my approval.

#### Signature:



#### Date:

26/06/2023

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE DEPUTY MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. Report LFC-23-050 to the London Fire Commissioner (LFC) seeks approval to put in place insurance arrangements for the LFC from 1 July 2023 to 30 June 2024. This decision is required to replace current arrangements (approved in LFC-0023 and LFC-0378) that come to an end on 30 June 2023; and to cover the period ahead of a full tender process to put in place insurance arrangements for up to five years from 1 July 2024.
- 1.2. The LFC has a range of insurance policies in place to protect against the financial impact of liability claims and loss of assets, with annual premiums paid to insurers to provide the required level of cover. The current insurance arrangements have largely been in place since 2018; the arrangements for combined liability and motor insurance have been in place since 2020. These arrangements come to an end on 30 June 2023; a full tender process was planned for 2023, to put in place new insurance arrangements for up to five years from 1 July. However, following advice from the LFC's insurance broker, the Director of Corporate Services has taken the decision to postpone the full tender process for a year in order to secure the best possible outcome for the LFC. Work already undertaken in preparation for the full tender will continue, and will help ensure the LFC is in a good position to go to out to tender in 2024.
- 1.3. The LFC's broker is working with the insurers to determine premiums for the year from 1 July 2023, following a process similar to that used as part of the annual renewals. Following completion of this work, the broker will prepare a report for the LFC setting out recommendations and premiums for the coming year. The Director of Corporate Services will then consider the recommendations from the report; and, based on this, put in place insurance covers from 1 July 2023 for 12 months. The LFC's broker advises that, by 2024, the LFC will be in a position to provide a more comprehensive overview to insurers – given recent insurance payments that have been made to claimants, and the current position in respect of outstanding settlements that will progress over the next 12 months, both of which are negatively impacting insurance premiums. Delaying the tender for a further 12 months will also facilitate more transparent dialogue with insurer queries.
- 1.4. It is proposed that the insurance premiums will be met from the existing LFC insurance budgets. These are reviewed annually as part of the budget process, and for 2023-24 total £3,806,322.

#### **2. Objectives and expected outcomes**

- 2.1. This report seeks approval to put in place insurance arrangements for the LFC for 12 months from 1 July 2023. Insurance policies are in place as part of the LFC's risk-mitigation process. The proposed insurance arrangements will continue those currently in place for a further 12 months, ahead of a full tender in 2024.

#### **3. Equality comments**

- 3.1. The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 3.2. It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.

- 3.3. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.4. The Public Sector Equality Duty requires decision-takers, in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other prohibited conduct
  - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it
  - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic
  - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
  - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- tackle prejudice
  - promote understanding.
- 3.8. It is not considered that this report has any direct equalities impact, as it addresses the LFC's insurance arrangements. A full equality impact assessment has therefore not been completed.

#### **4. Other considerations**

##### Workforce comments

- 4.1. This report is not expected to have any direct workforce implications.

##### Sustainability comments

- 4.2. This report is not expected to have any direct sustainability implications.

##### Procurement comments

- 4.3. This report is not expected to have any direct workforce implications. However, work continues with the broker, in consultation Procurement Department, on preparations for the full insurance tender process in 2024.

### Communications comments

- 4.4. This report is not expected to have any direct communications implications.

### Conflicts of interest

- 4.5. There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

## **5. Financial comments**

- 5.1. This report seeks authority to put in place insurance arrangements for 12 months from 1 July 2023. This is at a revenue cost of up to £3,806,322, and this cost will be met from the LFC's existing insurance budgets, totalling £3,806,322 in 2023-24.

## **6. Legal comments**

- 6.1. Under section 9 of the Policing and Crime Act 2017, the LFC is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 6.2. By direction dated 1 April 2018, the Mayor set out those matters for which the LFC would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience.
- 6.3. Paragraph (b) of Part 2 of that direction requires the LFC to seek the prior approval of the Deputy Mayor for Fire and Resilience before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".
- 6.4. The statutory basis for the actions proposed in this report is provided by sections 7 and 5A of the Fire and Rescue Services Act 2004 (FRSA 2004). Section 7 (2)(a) of the FRSA 2004 states that the LFC has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting. Section 5A allows the LFC to procure personnel, services and equipment they consider appropriate for purposes incidental or indirectly incidental to their functional purposes.
- 6.5. London Fire Brigade's General Counsel notes that the proposed tenders will be carried out in accordance with the Public Contracts Regulations 2015 and the LFC's Scheme of Governance (Part 3 Standing Orders Relating to Procurement).
- 6.6. These comments have been adopted from those provided by the LFC's General Counsel Department in report LFC-23-050 to the LFC.

## **Appendices and supporting papers**

Appendix 1 - LFC-23-050 Provision of Insurance Services 2023-24

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after approval or on the defer date.

**Part 1 Deferral:**

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

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

**Is there a part 2 form – NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer**

Richard Berry has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:

✓

**Assistant Director/Head of Service**

Niran Mothada has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Fire and Resilience for approval.

✓

**Advice**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

A summary of this decision was reviewed by the Corporate Investment Board on 26 June 2023.

✓

**INTERIM CHIEF FINANCE OFFICER:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature:**



**Date:**

26/06/2023