

# Provision of Insurance Services 2023/24

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Report to:

Date:

Investment & Finance Board  
Commissioner's Board  
Deputy Mayor's Fire and Resilience Board  
London Fire Commissioner

3 May 2023  
17 May 2023  
23 May 2023

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Report by:

Adrian Bloomfield, Assistant Director - Finance

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Report classification:

For decision

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For publication

# PART ONE

## Non-confidential facts and advice to the decision-maker

### Executive Summary

This report seeks authority to put in place insurance arrangements for the London Fire Commissioner (LFC) for the period from 1 July 2023 to 30 June 2024. This decision is required to replace arrangements in place 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 for a period of up to five years from 1 July 2024.

The LFC's insurance broker (Gallagher) has prepared a report on the insurance arrangements with recommended covers from 1 July 2023. [Note to CB: This is not yet available and the broker is currently in discussions with insurers to negotiate premiums for the coming 12 month period, based on existing terms.]

#### For the Deputy Mayor

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.

This LFC decision will only be taken after further consultation with the Greater London Authority's finance and legal advisers and Corporate Investment Board.

#### For the London Fire Commissioner

That the London Fire Commissioner, having sought approval from the Deputy Mayor for Fire and Resilience, commits to revenue expenditure and approves insurance arrangements for a 12 month period from 1 July 2023 at a cost of up to £3,806,322.

That the London Fire Commissioner delegates to the Director of Corporate Services authority to put in place the insurance arrangements, working with the LFC's insurance broker.

The London Fire Commissioner agrees that £3,806,322 be allocated from the existing revenue budget for the purpose of putting in place insurance arrangements for 12 months from 1 July 2023.

## 1 Introduction and background

1.1 This report seeks approval to put in place insurance arrangements for the London Fire

Commissioner (LFC) for the period 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 will be to cover the period ahead of a full tender process to put in place insurance arrangements for a period of 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, with the arrangements for combined liability and motor insurance having been in place since 2020. These arrangements come to an end on 30 June 2023, and it had been planned to undertake a full tender process in 2023 to put in place new insurance arrangements for a period of up to five years from 1 July 2023. 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 help ensure the LFC is in a good position to go to out to tender in 2024.
- 1.3 The LFC's broker is now working with the insurers to determine premiums for the year from 1 July 2023, following a process similar to that used each year 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.
- 1.4 It is proposed that the insurance premiums will be met from the existing LFC insurance budgets. The insurance budgets 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 the 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 Equalities 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.

## 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, totaling £3,806,322 in 2023/24.

## 6. Legal comments

- 6.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") 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 Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 6.2 The arrangement proposed in this report are consistent with the Commissioner's power under section 5A of the Fire and Rescue Services Act 2004 to do anything it considers appropriate for purposes incidental to its functional purposes.
- 6.3 Part 6 – Financial Regulations of the London Fire Commissioner Scheme of Governance sets out at para 11 (d) that, "The Director of Corporate Services is responsible for ensuring that proper insurance exists where appropriate and the level of cover and risk is reported in the Statement of Accounts." This report sets out the recommended insurances and level of cover.
- 6.4 By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor"). Paragraph (b) of Part 2 of the direction requires the Commissioner 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...".
- 6.5 The Deputy Mayor's approval is accordingly required for the London Fire Commissioner to purchase the insurances discussed in this report.

## Part two confidentiality

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

Is there a Part Two form:        NO

## Originating officer declaration

Reporting officer to  
confirm the following  
by using 'x' in the box:

### Reporting officer

Adrian Bloomfield has drafted this report and confirms the following:

1. Assistant Director/Head of Service  
Adrian Bloomfield has reviewed the documentation and is satisfied  
for it to be referred to Board for consideration

X

2. Advice  
The Finance and Legal teams have commented on this proposal:  
Lee-Anne Beer Legal Advisor, on behalf of General Counsel (Head of  
Law and Monitoring Officer).  
Adrian Bloomfield Financial Advisor, on behalf of the Chief Finance  
Officer.

X

X