

**DMPC Decision – PCD 1211****Title: Approval of the Updated Insurance Strategy****Executive Summary:**

The MPS/MOPAC Insurance Strategy requires to be approved by MOPAC in accordance with the Scheme of Consent and Delegation.

The existing 3 year Insurance Strategy was approved by MOPAC in 2019 and comes to an end this year. This paper recommends a new 3 year Insurance Strategy, which requires to be approved by the Deputy Mayor of Policing and Crime.

**Recommendation:**

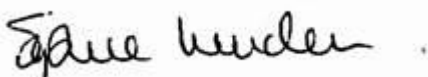
The Deputy Mayor for Policing and Crime is recommended to:

1. Approve the proposed new 3 year Insurance Strategy effective from the 2022 insurance policy renewals (which fall due to expire/renew 01/10/22). The cost of insurance premiums covered by the proposed Insurance Strategy will be met from the Finance Services Revenue Budget.

**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****11/07/2022**

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

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

- 1.1. MPS/MOPAC is exposed to certain insurable financial risks, including those that are large enough to be prejudicial to the effective execution of the Police and Crime Plan.
- 1.2. MPS/MOPAC seeks to transfer such financial risks through insurance arrangements.
- 1.3. These insurance arrangements are directed by an Insurance Strategy. The Insurance Strategy is the over-arching document that drives the purchase of the MPS/MOPAC insurance policies. On agreement to implement the new three year Insurance Strategy, the MPS will renew insurance policies using authorities already held by MPS, either under the MOPAC Scheme of Consent and Delegation or obtained separately by previous proper governance
- 1.4. The existing MPS/MOPAC Insurance Strategy is in its third year of a three year strategy that was approved in 2019 and expires this year.
- 1.5. This paper recommends a new three year Insurance Strategy, which builds on the existing Strategy, as outlined fully in Part 2 of this paper.

### **2. Issues for consideration**

- 2.1. This proposal needs to be considered because MPS/MOPAC purchases insurance cover that expires and needs to be considered for renewal annually on 1st October.
- 2.2. The MOPAC Scheme of Consent and Delegation reserves to the DMPC the approval of the Insurance Strategy, which is the reason for this paper.
- 2.3. The main insurance policies that form part of the programme are:
  - Property Insurance, including property in the course of construction/alteration;
  - Employers Liability: legal liabilities for injuries as an Employer;
  - Public Liability; legal liabilities to the public for injuries and damages to property; and
  - Motor Insurance; legal liabilities to the public for injuries and damages to property arising out of the use of motor vehicles.
- 2.4. The benefits, costs and risks of the recommendations:
  - The benefit of implementing the recommendation is the continued transfer of the financial risk, plus additional operational benefits of having insurance cover;
  - There are no substantive risks arising from following the recommendation; the recommendation is itself a transfer of risk;

- The risk of not agreeing a new 3 year Insurance Strategy to direct the renewal of our insurance programme, is the financial risk that significant potential future losses that are currently insured, for damage to assets and for legal claims from third parties, would need to be paid from MPS/MOPAC funds.
- 2.5. The Insurance Strategy has delivered and will continue to deliver value for money critical financial risk transfer through a programme of insurance policies, covering a range of potential legal liabilities that may be faced by MPS/MOPAC and in protection of the physical assets and cash of MPS/MOPAC.
- 2.6. Insurance premium cost will be managed within the budget that already exists. This information is contained in the restricted section of the report.

### **3. Financial Comments**

- 3.1. Details of the current premiums and the estimated renewal premiums for these insurances are contained in the restricted section of the report as they are commercially sensitive.
- 3.2. The revenue budget is adequate to reflect the expenditure expected and insurance premiums will be paid from that revenue budget.

### **4. Legal Comments**

- 4.1. The Mayor's Office for Policing and Crime ("MOPAC") 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 £213,477 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.
- 4.2. This report confirms the MOPAC's route to market will be compliant with the Regulations.
- 4.3. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
- a. Significant policies and strategies (paragraph 4.3);
  - b. Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
  - c. All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).

### **5. Commercial Issues**

- 5.1. Applying the proposed new 3 year Insurance Strategy will mean that the MPS will continue to buy insurance cover suitable for the needs of the MPS/MOPAC at the best possible terms available from the insurance market.

- 5.2. The procurement route used to buy insurance cover will be compliant with the MOPAC Scheme of Consent and Delegation and the procurement regulations for the public sector.
- 5.3. Applying the proposed 3 year Insurance Strategy will optimise value for money by:
- Periodically tendering (typically every 3 to 5 years) each significant cover as broadly as possible, through a compliant procurement process advertised in compliance with the Public Contract Regulations 2015. Careful analysis and due diligence is carried out on the tender responses and selection of the best option for MPS/MOPAC is carried out within each tender process.
  - Selecting appropriate levels of policy excess and dealing with legal liability claims from the classes of insurance that could otherwise be transferred via insurance.
- 5.4. It should be noted that there is another, separate paper approved in June for Tender and Award authority for two significant insurance policies that require to be tendered this year; Motor Insurance and Contractors All Risks Insurance.
- 5.5. London's Anchor Institutions' Charter will be supported by the paper in so far as the paper will contribute to good financial control for the MPS, allowing more funds to be used for MPS/MOPAC priorities, which will already be aligned to supporting London's Anchor Institutions' Charter.

## **6. GDPR and Data Privacy**

- 6.1. 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.
- 6.2. 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.
- 6.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the Insurance Strategy meets its compliance requirements.
- 6.4. The Insurance Strategy itself does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.
- 6.5. Very limited private data is provided to insurers, in the course of handling claims from third parties. Insurers are aware of their obligations in relation to data privacy.

- 6.6. The Insurance Strategy is not a new project or involve new ways of working, but is rather business as usual.

## **7. Equality Comments**

- 7.1. This business case has undergone initial equality screening. Due regard has been given to the Equality Act's Public Sector Equality Duty. Real consideration has been taken to assess equality impact caused by the proposed business changes. As a result no positive or negative impact has been identified to any individual and/or group safeguarded by a protected characteristic and those who are not.

## **8. Background/supporting papers**

- 8.1. 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:

**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 proposal is in keeping with the GLA Group Responsible Procurement Policy.

✓

**GDPR/Data Privacy**

- GDPR compliance issues are covered in the body of the report.
- A DPIA is not required.

✓

**Drafting Officer**

Craig James has drafted this report in accordance with MOPAC procedures.

✓

**Director/Head of Service:**

The Acting Chief Finance Officer 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 11/07/2022