

DMPC Decision – PCD 1259

Title: Chief Police Officers' Staff Association (CPOSA) Membership Insurance Costs

Executive Summary:

This paper seeks approval for the continuation for the Metropolitan Police Service (MPS) to pay for chief police staff and officers legal protection insurance. This provides individuals with cover for criminal prosecution, civil defence, misconduct and unsatisfactory performance, inquest representation cover, etc. The procurement of the insurance is by way of a single tender action following a procurement exercise by the Chief Police Officers' Staff Association (CPOSA). The cost of the insurance premia is funded from within MPS budgets.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

1. Approve the single tender action (STA) for the Chief Police Officers' Staff Association (CPOSA) in providing professional indemnity Insurance for MPS Chief Officers via a group insurance policy. This insurance is offered to MPS Senior Police Officers and to Senior Police Staff at Broad Band 1 and Broad Band 2.
2. Approve that the MPS continue to pay the reactive element of CPOSA membership for eligible officers and staff
3. Approve funding for the next 4 years (2023 - 2027). Please note: there was a 15% rise in costs for 2022-2023 compared to 2021- 2022. This is because of the following factors:
 - A challenging insurance market at present.
 - A limited choice of companies willing to offer and underwrite this specialist business.
 - Rate of inflation (9.1% in May 2022).
4. Approve the retrospective approval of the spend associated with CPOSA membership for 2022/2023 because it exceeded the amount of budget allocated (£153,154) and approved by PCD 190 (signed on 24 April 2017). The MPS is seeking retrospective permission to increase the spend for 2022/23 by 10% to £168,469.

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

26/01/2023

Spine under .

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

1. Introduction and background

- 1.1. MOPAC previously approved a multi-year arrangement for the payment of the legal insurance provided by the Chief Police Officers' Staff Association (CPOSA) in 2017 – PCD190. The latest re-procurement by the Chief Police Officers' Staff Association (CPOSA) has resulted in a price above the previously approved threshold.

2. Issues for consideration

- 2.1. The 2022/23 price for the legal insurance for senior officers and staff has exceeded the previous approval and so there is a recommendation to retrospectively approve this sum.
- 2.2. The 2022/23 price and the expected future prices 2023/24-2026/27 are impacted by a challenging insurance market at present, a limited choice of companies willing to offer and underwrite this specialist business, and the rate of inflation (9.1% in May 2022). Further detail is set out in the restricted part of this report.

3. Financial Comments

- 3.1. The estimated cost of the insurance of £168,469 for 2022/23 will be funded from within existing budgets.
- 3.2. The MPS have provided assurance that the estimated costs for the proposed 4 year term can be met from within their existing budgets.

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 (inclusive of VAT) or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceed this threshold and therefore the Regulations apply.
- 4.2. The MPS Legal Services confirm that the single tender action is a compliant route to market for both 2022/23 and the longer term proposal.
- 4.3. Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve business cases for revenue or capital expenditure of £500,000 or above.
- 4.4. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all contract exemptions for £100,000 or above.

5. Commercial Issues

- 5.1. CPOSA has carried out a procurement to acquire insurance for its members. The MPS assure that the process is robust. This paper seeks approval to pay for the reactive elements of the insurance in line with previous approvals.

6. GDPR and Data Privacy

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The MPS assure that project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

7. Equality Comments

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. The MPS assure that as this is an extension of an existing service and as the payment of the membership is solely dependent on the rank/grade of the senior leader it does not change any aspects relating to equality or diversity.

8. Background/supporting papers

- Appendix 1 MPS Report - CPOSA MEMBERSHIP COSTS

<p>Public access to information</p> <p>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.</p> <p>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.</p>
<p>Part 1 Deferral:</p> <p>Is the publication of Part 1 of this approval to be deferred? NO</p> <p>If yes, for what reason:</p> <p>Until what date:</p>
<p>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.</p> <p>Is there a Part 2 form – YES</p>

ORIGINATING OFFICER DECLARATION		<i>Tick to confirm statement (✓)</i>
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 Commercial issues are covered in the body of the report.		✓
GDPR/Data Privacy GDPR compliance issues are covered in the body of the report .		✓
Drafting Officer Alex Anderson has drafted this report in accordance with MOPAC procedures.		✓
Director/Head of Service: The interim MOPAC Chief Finance Officer and Director of Corporate Services 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 31/10/2022

A handwritten signature in purple ink, which appears to read "Dame Cressida Dick".



CPOSA MEMBERSHIP COSTS

MOPAC Investment Advisory & Monitoring meeting 18 August 2022

Report by Daniel Pickett / Mark Pomroy on behalf of the Chief of Corporate Services

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

The purpose of Chief Police Officers Staff Association (CPOSA) is the safeguarding of the individual and collective interests of chief police officers and senior police staff, including the consideration of matters relating to their conditions of service, and the promotion of their welfare.

One of its responsibilities is to procure an insurance which a member can take advantage of, in order to ensure access to legal advice and support.

Deputy Mayor for Policing and Crime (DMPC) is requested to approve funding for the continuation of the provision of this professional indemnity insurance for Senior Police Officers and Police Staff.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

5. **Approve** the single tender action (STA) for the Chief Police Officers' Staff Association (CPOSA) in providing professional indemnity Insurance for MPS Chief Officers via a group insurance policy. This insurance is offered to MPS Senior Police Officers and to Senior Police Staff at Broad Band 1 and Broad Band 2.
6. **Approve** that the MPS continue to pay the reactive element of CPOSA membership for eligible officers and staff
7. **Approve** funding for the next 4 years (2023 - 2027). Please note: there was a 15% rise in costs for 2022-2023 compared to 2021- 2022. This is because of the following factors:

- A challenging insurance market at present.
- A limited choice of companies willing to offer and underwrite this specialist business.
- Rate of inflation (9.1% in May 2022).

4. **Approve** the retrospective approval of the spend associated with CPOSA membership for 2022/2023 because it exceeded the amount of budget allocated (£153,154) and approved by PCD 190 (signed on 24 April 2017). The MPS is seeking retrospective permission to increase the spend for 2022/23 by 10% to £168,469.

Time sensitivity

A decision is required from the Deputy Mayor by 30/09/2022. This is because the expiry date of the current contract is 31/03/2023. The proposal is for cover to continue from 01/04/2023 to 31/03/2027.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

1. The MPS has been paying for the reactive element of CPOSA membership for individuals since 2017. This insurance provides legal protection to Police Officers at Commander rank and above, and also to Senior Police Staff at BB1 and BB2 grades, where issues arise as a result of on duty activity / decisions.
2. In 2017/18, PCD 190 (signed on 24 April 2017) gave the MPS approval for funding of £120,000 with an agreement that for future years' that the budget could increase by up to a maximum of 5% per annum. For the financial year 2022/23, the spend associated with CPOSA membership (£159,900 (based on 52 staff @ £3,075)) will exceed the amount of budget allocated (£153,154). The MPS is seeking retrospective permission to increase the spend for 2022/23 by 10% to £168,469.
3. CPOSA procures this insurance on behalf of its members nationwide, and subsequently bills all of their members for the proactive element of the insurance and subscription fees. The MPS is billed for the reactive insurance for individuals that choose to take part in this scheme.
4. CPOSA is a staff association representing the interests of Chief Police Officers and Senior Police Staff across the UK and acts in a similar way to the Police Federation. Its principle aim is to ensure that terms and conditions of service are considered and offers advice, guidance and support in relation to welfare. As the costs exceed £100k each year, and this is a single tender action, there is a requirement to seek approval from MOPAC for the continuation of this agreement. The MPS would like to agree funding for a 4-year agreement.
5. The reactive element is legal protection insurance and provides individuals with cover for criminal prosecution, civil defence, misconduct and unsatisfactory performance, inquest representation cover and Section 88 Enforcement cover. Indemnity applies where the claim is notified during the period of insurance.

6. There has been a long-standing agreement across all police forces, for the reactive insurance to be paid for by the individual force. This is because the force is covering them for performing their role as a senior member of the MPS.

Appointment of preferred insurer

7. CPOSA engages with forces during the tender process to appoint a suitably qualified insurer. As this is a specialist area, CPOSA engages a specialist company to complete the tender process. CPOSA is not paid by forces to operate the insurance policy on behalf of forces.
8. There is a limited insurance market that will provide specialist insurance. However, the MPS is satisfied that the procurement exercise completed by CPOSA met with our standards.

Costs to the MPS

9. The MPS is invoiced collectively for all CPOSA reactive insurance costs throughout each financial year. Each member is responsible for settling their own membership and proactive insurance. As members join during the year, we are billed by the CPOSA finance office, on a pro rata basis.

Reasons for a four-year agreement

10. The MPS would like to put a longer-term deal in place to secure funding for CPOSA for our eligible group. The approval of a four-year agreement would avoid the MPS having to submit an annual business case when it is recognised that there is a requirement on the organisation to offer the reactive element of the membership. Most other forces do not need to seek permission to complete a STA on an annual basis, as their financial costs are below the procurement thresholds.
- 11.
12. As CPOSA is not a Government body, they are an association, and set up as a limited company, Commercial has advised that they should be treated as any other limited company and should be considered in the same way that we would manage any other procurement exercises.
13. The MPS is seeking approval to use the STA to allow us to provide professional indemnity Insurance for our Chief Officers.

Issues for consideration

14. Professional indemnity Insurance for Chief Officers is provided via a group insurance policy through CPOSA. This insurance is offered to MPS Senior Police Officers and to Senior Police Staff at Broad Band 1 and Broad Band 2.
15. The purpose of CPOSA is the safeguarding of the individual and collective interests of chief police officers and senior police staff, including the consideration of matters relating to their conditions of service, and the promotion of their welfare.

16. CPOSA is a representative body. It undertakes a range of responsibilities including:
- making representations on pay to the Police Advisory Board;
 - procuring an insurance which a member can take advantage of, in order to ensure access to legal advice and support and
 - a Panel of Friends who are able to give more personal support if a member is suspended.
17. The MPS would cover the cost of the Reactive legal expenses insurance, however, the cost of the Membership subscription and the Proactive legal expenses insurance is met by the individual. The Reactive legal expenses insurance is considered a taxable benefit in kind.

*Proactive Insurance

18. This insurance specifically assists the individual if they enter into litigation, which involves their Police and Crime Commissioner. Understandably, the latter is not prepared to contribute towards this element of the insurance, as effectively they would be using public money to assist a legal action against themselves.

**Reactive Insurance

19. This legal protection insurance provides cover for criminal prosecution, civil defence, misconduct and unsatisfactory performance, inquest representation cover and Section 88 Enforcement cover. Indemnity applies where the claim is notified during the period of insurance. Providing the member pays his membership, and insures that the reactive insurance is paid during their last year of service, the cover continues after retirement.

Contributes to the MOPAC Police & Crime Plan 2022-25¹

20. The proposal seeks to maintain standards of professionalism by demonstrating continued investment in our Senior Police Officers and Senior Police Staff

Financial, Commercial and Procurement Comments

21. In 2017/18, PCD 190 gave the MPS approval for funding of £120,000 with a proposal that for future years' that the budget could increase up to a maximum of 5% per annum.
22. For 2022/23 there has been a 15% increase in membership costs, compared to 2021/22. This is due to the following factors:
- A challenging insurance market at present.
 - A limited choice of companies willing to offer and underwrite this specialist business.
 - Rate of inflation (9.1% in May 2022).

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

23. The increase in cost in 2022/23 has meant that the cost of providing CPOSA membership for 52 seniors (@£3,075 per person - £159,900 in total) has exceeded the £153,154 budget. The MPS is seeking retrospective approval for this overspend. The additional spend will be met from existing budget lines.

24. The MPS would like to seek approval for a four-year agreement as this would avoid the organisation having to submit an annual business case when it is recognised that there is a requirement on us to offer the reactive element of the membership to our senior leaders each year. Therefore, it is more efficient to request multi-year approval in advance.

25. The table below shows the budget vs spend on CPOSA membership during the previous five financial years.

	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Budget	120,000	126,000	132,300	138,915	145,861	663,076
Spend	120,000	123,807	115,787	138,842	127,456	625,893

26. The MPS is satisfied that there is a robust process in place for managing CPOSA moving forward. Both Finance and Commercial are content that the STA in place is sufficient to satisfy procurement processes. The MPS is seeking approval to agree a STA for the next four financial years.

27. For Noting: The significant estimated increase in costs is associated with a challenging insurance market and a limited choice of companies willing to offer and underwrite the specialist insurance. Any future budget pressure stemming from the additional CPOSA costs has already been addressed in our Medium Term Financial Plan projections.

Commercial Case

28. The MPS are seeking approval to use the STA route to purchase reactive legal expenses insurance via CPOSA for all of its Chief Officers over the next four years. Most forces have one - four members whereas the MPS currently have 52.

29. CPOSA collects subscriptions from its members and in return offers various benefits, one of which is legal services. As mentioned previously the MPS pay for the reactive part of the insurance policy and this provides individuals with cover for criminal prosecution, civil defence, misconduct and unsatisfactory performance, inquest representation cover and Section 88 Enforcement cover.

30. **The total national cost of the premium for 2022/23 for CPOSA is £1,069,600, split as follows:**

Premium	£955,000
Insurance Premium Tax (12%)	£114,600
Total cost	£1,069,600

31. **This cost is apportioned pro-rata to the numbers of subscribing members in each force.**

Financial Case

32. *The purpose of this section is to set out the implications for the MPS revenue budget and capital plan of the proposed approach.*

- The MPS is seeking approval to agree a STA for the next four financial years. The cost for 2022/23 is £159,900.
- CPOSA bill on a per person basis, actual annual billing is directly linked to the number of members.
- There has been funding in place for this purpose since 2017.

Affordability

33. From a financial viewpoint, our budget assumptions to meet CPOSA costs is £220k per annum. It is anticipated that there will be year-on-year increases which will be met from existing MPS budget lines.

Legal Comments

32. 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 (inclusive of VAT) or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold and therefore the Regulations apply.

33. Regulation 32 permits MOPAC to use the Negotiated procedure without prior publication of an OJEU notice in a limited number of circumstances.

34. Specifically, regulation 32(2)(b)(ii) provides the Negotiated procedure without prior publication of an OJEU notice may be used for public service contracts where the services can be supplied only by a particular economic operator where competition is absent for technical reasons, but only where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.

35. This report confirms that the contract can only be awarded to CPOSA. On this basis, the recommendation to award a contract and to approve retrospectively the increase for 2022/2023 can be approved.

36. Paragraph 4.13 of the Scheme provides the Deputy Mayor for Policing and Crime has delegated authority to approve all contract exemptions valued at £100,000 or above.

Equality Comments

34. No impact. As this is an extension of an existing service this work does not change any aspects relating to equality or diversity as payment of the membership is solely dependent on the rank/grade of the senior leader.

Privacy Comments

METROPOLITAN POLICE

35. 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.
36. 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.
37. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
38. The project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

Real Estate Implications

39. No impact.

Environmental Implications

40. No impact.

Background/supporting papers

41. Report author: Daniel Pickett

Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

42. The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

43. Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).

The paper will cease to be exempt upon expiry of the contract on 31st March 2027.