

# PART TWO

## Confidential facts and advice

### Provision of Insurance Services 2024/25

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Governance Team for advice.

This information is not for publication because:

The report contains commercially sensitive information that should not be released ahead of the completion of the purchase of Insurance Services.

Legal recommendation on the grounds of keeping the information confidential:

In the event the information contained in this Part Two and/or its appendix is the subject of a request for information under section 1 of the Freedom of Information Act 2000 (the "Act"), it is considered that access can be denied on the basis that such information constitutes exempt information under:

Section 43(2) of the Act on the basis that the information in this report includes information which is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

#### Public Interest Assessment

At present, on balance, it is considered that the public interest is best served if the information is not disclosed at this point.

Disclosure by the LFC would be likely to have a detrimental effect on the LFC's position and related commercial interest regarding the expenditure incurred for the purposes of this report.

The Information Commissioner has recognised that a wide range of commercial information relating to ongoing procurement activity may be covered by this exemption. In this instance the information in this Part 2 report includes information in relation to future plans to procure insurance and the Commissioner's financial position in relation to those procurements. The exempt information would disclose the Commissioner's financial position in relation to the

proposed procurement to potential bidders and would prejudice the operation of competitive tendering exercise for the new contract.

The recommended period for non- publication of Part 2 is not before the end of July 2024

Legal Adviser

I make the above recommendations that this information should be considered confidential at this time.

Name: Thomas Davies	Date: 23/01/2024
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## Introduction and background

The information set out in the Part One provides information on the tender of the LFC's insurance arrangements and the request for approval for the commitment of revenue expenditure in order to enter into new insurance contracts for a period of up to five years from 1 July 2024 to 30 June 2029 at a total estimated cost of £20,324,774.60 for annual premiums over the five-year period, plus inflation and other uplifts arising from the annual renewals process over the five year period to 30 June 2029. The total estimated cost for 2024-25 (Year 1) is £4,064,954.92 which will be included in the estimated £20,324,774.60 expenditure for the five-year period.

Officers from Finance and Procurement Departments are working with the LFC's insurance broker to conduct the tender for insurance arrangements. As part of this process, the broker was asked to prepare estimates of the new insurance premiums for 2024 and to allow total estimated costs to be included in this report to secure approval for expenditure. The table below includes the costs for each insurance cover in 2022 and 2023, and then an estimate for the premium in 2024. The table includes a total estimated cost for insurance for Year 1 from 1 July 2024 at £4,064,954.92.

Policy	2022 Renewal Premium (£)	2023 Renewal Premium (£)	General Comments	Budget for 2024
Material Damage & Business Interruption	£187,705.32	£206,159.19		£247,391.03
Terrorism	£79,500.00	£104,800.00		£125,760.00
Fine Art	£4,592.25	£4,729.48		£5,438.90
Combined Liability including Officials Indemnity & Professional Indemnity	£1,464,000.00	£1,540,000.00		£1,771,000.00
Combined Liability Claims handling fee	£5,000.00	£5,000.00		£5,250.00
Excess Liability	£145,000.00	£13,458.08 £169,290.00	1 month extension 11 months cover	£249,999.37
Crime	£26,194.00	£30,763.00		£49,989.88
PA & Travel	£642.00	£642.00		£1,000.00
PA & Travel – MTFA Response	£18,850.00	£18,850.00		£20,735.00
Engineering Inspection	£7,124.08	£8,136.48		£9,153.54
Computers	£31,050.21	£40,739.29		£50,924.11
Airside Liability	£5,000.00	£5,250.00		£5,775.00
Drone Liability	£3,650.00	£2,575.00		£2,832.50
Marine	£26,922.23	£53,613.29		£61,655.28
Motor Fleet	£673,111.14	£848,638.00		£1,018,365.60
<b>SUB-TOTAL</b>	<b>£2,678,341.23</b>	<b>£3,052,643.81</b>		<b>£3,625,270.21</b>
Gallagher Fee	£3,500.00	£3,500.00		£3,500.00
Insurance Premium Tax (12%)	£319,946.06	£364,740.88		£433,304.00
VAT (20%)	£2,424.82	£2,627.30		£2,880.71
<b>Grand Total</b>	<b>£3,004,212.10</b>	<b>£3,423,511.99</b>		<b>£4,064,954.92</b>

## Objectives and expected outcomes

The objective of this report is to secure approval to commit to revenue expenditure and approve insurance arrangements for a 12-month period from 1 July 2024 at a cost of up to £4,064,955 and a total of £20,324,775 plus inflation and other uplifts over the five year period to 30 June 2029.

## Financial comments

This report is prepared by the Head of Corporate Finance and as such Finance comments have been incorporated into the report.

## Legal comments

None

## Confidential appendices and supporting papers

None