

**DMPC Decision – PCD 1749**

**Title:** Insurance Strategy 2025-2030

**Executive Summary:**

This paper seeks approval for the insurance strategy for the period from 2025-2030 and its subsequent procurements. It sets out the rationale for requirements for insurance and those risks which the MPS seeks insurance for to mitigate losses.

**Recommendation:**

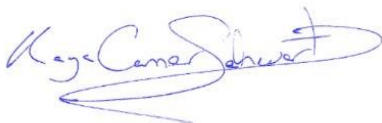
The Deputy Mayor for Policing and Crime is recommended to:

1. Approve the draft Insurance Strategy for 2025-2030
2. Approve to proceed to procure insurance policies above £500,000 through this strategy

**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** 26/11/2024

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

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

- 1.1. The current insurance strategy was approved in 2022, PCD1211 for the period 2022-2025.
- 1.2. There are regulatory and statutory requirements to hold insurance for some activities, and the MPS/MOPAC is also 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. 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 five-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 this and previous proper governance.
- 1.4. This paper recommends a new five-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 paper identifies that there are some
  - risks that are not insurable e.g. the risk of increased costs of overtime arising from policing unexpected events such as widespread rioting, and
  - those risks which are insurable but which the MPS opts not to obtain external insurance and to accept the financial risk where costs arising are never expected to be financially significant in the context of the Met's finances, e.g. employment contract disputes.
- 2.2. 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.
- 2.3. 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 5-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.
- 2.4. The MPS assure that 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.
- 2.5. Further detail is set out in the restricted section of this paper.

### **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 MPS assure that 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") and the MPS are required to have insurance arrangements and/or opts for insurance to mitigate significant losses.
- 4.2. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
- Significant policies and strategies (paragraph 4.3) and annual insurance strategy (paragraph 4.7);
  - Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
  - 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 Comments**

- 5.1. The MPS assure that the procurement routes used to buy insurance cover will be compliant with the MOPAC Scheme of Consent and Delegation and the procurement regulations for the public sector.
- 5.2. The MPS will seek to further increase interest in providing cover to MPS/MOPAC by engaging with the market and providing past experience data.

- 5.3. An experienced external insurance broker will be used to provide expert advice on e.g. use of long term agreements, low claims rebates and other joint purchasing/procurement options.
- 5.4. The MPS/MOPAC Insurance Team continues to collaborate with the GLA group and in 2022 participated in a GLA-wide review of insurance requirements in supplier contracts to ensure that they maximise participation in tenders by SMEs, while still maintaining appropriate contractual risk management, as part of the Mayor's London Anchor Institutions Charter.

## **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 as the programme does not use personally identifiable data of members of the public 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 this work does not change any aspects relating to equality or diversity.

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

- Appendix 1 MPS Report – Insurance Strategy 2025-2030

**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	<i>Tick to confirm statement (✓)</i>
<b>Financial Advice:</b> The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal.	✓
<b>Equalities Advice:</b> Equality and diversity issues are covered in the body of the report.	✓
<b>Commercial Issues</b> Commercial issues are covered in the body of the report.	✓
<b>GDPR/Data Privacy</b> GDPR compliance issues are covered in the body of the report.	✓
<b>Drafting Officer</b> Alex Anderson has drafted this report in accordance with MOPAC procedures.	✓
<b>Director/Head of Service:</b> The 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**

A handwritten signature in black ink, featuring a circular loop at the beginning followed by a series of connected, slightly wavy lines.

**Date** 11/11/2024