

REQUEST FOR DMPC DECISION – PCD 253**Title:** Insurance Strategy Renewals 2017**Executive Summary:**

A three year Insurance Strategy was agreed by the Deputy Mayor for Policing and Crime in July 2016. As part of the approval process the MPS are required to annually review the insurance strategy to ensure it remains fit for purpose.

Recommendation:

The Deputy Mayor for Policing and Crime is asked to approve the existing Insurance 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**

29/8/17

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

Decision required – supporting report

1. Introduction and background

- 1.1. The MPS's insurance strategy was approved in July 2016. This is a three year strategy with the MPS currently in year one. As part of the approval process the MPS is required to review the insurance strategy on an annual basis to ensure it is still fit for purpose. The Scheme of Delegation and Consent requires the Deputy Mayor for Policing and Crime to review the insurance strategy on an annual basis.
- 1.2. The use of insurance enables the MPS to transfer the financial risk of uninsured damage to property and uninsured legal claims for general liability to an insurance company, thus avoiding the need to fund this cost from the MPS's own resources.

2. Issues for consideration

- 2.1. The MPS is exposed to certain insurable financial risks that are large enough to be prejudicial to the execution of the Police and Crime Plan. An example would be the risk of destruction of a major building within the Estate through fire.
- 2.2. See the Part 2 for details.

3. Financial Comments

- 3.1. The cost of the insurance renewals is proved for within existing resources.
- 3.2. Further details are contained in the Part 2.

4. Legal Comments

- 4.1. Procurement activity arising from approving the application of the existing Insurance Strategy will be conducted in accordance with the Public Contract Regulations 2015, EU law and MOPAC Scheme of Consent and Delegation.

5. Equality Comments

- 5.1. There are no direct equality or diversity implications arising from this report

6. Background/supporting papers

- 6.1. Briefing note.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred ? NO

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 rational for non-publication.

Is there a **part 2** form – Yes

If yes, for what reason: EXEMPT under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.

ORIGINATING OFFICER DECLARATION:

Head of Unit: The Head of Strategic Finance and Resource Management has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	✓
Financial Advice: The Chief Financial Officer has been consulted on this proposal.	✓
Equalities Advice: No Equality and Diversity issues identified.	✓

OFFICER APPROVAL**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

R. Lawrence

Date

29/8/17

Investment Advisory Board

17th August 2017

2017 Insurance Policy Renewals:

Approval Sought to Apply Existing Insurance Strategy

Report by Gary McCulloch, Insurance and Claims Manager

on behalf of Lynda McMullan, Director of Commercial and Finance

EXECUTIVE SUMMARY

We are one year into a three year insurance strategy, which requires to be reviewed annually by MOPAC to agree it is still fit for purpose.

On agreement of the strategy, we will renew insurance policies using authorities already held by MPS, either under the MOPAC Scheme of Delegation or obtained separately from this paper by proper governance (there is a separate paper to this same Board seeking authority to contract and award for a particular insurance policy).

TIME-SENSITIVITY

A decision is required by 1st September to allow the insurance cover to be renewed before expiry on 1st October.

Part 1 – Suitable for publication

A. RECOMMENDATIONS – That DMPC approves:

1. The existing Insurance Strategy.

B. SUPPORTING INFORMATION

Background

2. The MOPAC-MPS is exposed to certain insurable financial risks that are large enough to be prejudicial to the execution of the Police and Crime Plan. An example would be the risk of destruction of a major building within the Estate through fire.
3. MOPAC-MPS seeks to transfer such financial risks through insurance arrangements;
4. Those insurance arrangements are directed by an Insurance Strategy;

5. A three year Insurance Strategy was agreed by the MOPAC DMPC in July 2016, with an annual refresh / review to ensure it remains fit for purpose;
6. The MOPAC Scheme of Consent and Delegation reserves to the DMPC the 'approval of the annual insurance strategy' which is the reason for this paper;

Decision Sought

7. It is the recommendation of this paper that the DMPC approve the existing insurance strategy, in compliance with the Scheme of Consent and Delegation and to allow the MPS Director of Commercial and Finance to continue to undertake the day to day management of insurance in line with the strategy.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Health and Safety

8. There are no Health and Safety considerations.

Equality and Diversity Impact

9. There are no known negative equality or diversity implications.

Financial Implications

10. Value for money can be achieved by the transfer of risk by insurance through approval of the insurance strategy

Legal Implications

11. Procurement activity arising from approving the application of the Existing Insurance Strategy will be conducted in accordance with the Public Contract Regulations 2015, EU law and the MOPAC's Scheme of Delegation and Consent. Procurement Services are engaged in the process

Risk (including Health and Safety) Implications

12. There are no substantive risks arising from following the recommendation; the recommendation is itself a transfer of risk. The risk of not applying the Insurance Strategy in the renewal of our insurance programme is that the financial risk of uninsured damage to property and uninsured legal claims for general liability would need to be paid from MOPAC-MPS funds. There are no health and safety considerations.

Consultation Undertaken

13.

Key stakeholder engagement (up to what level)	Supportive / Supportive with concerns / Not supportive / Not affected
Portfolio & Investment Board, 11 th July 2017	Supportive
Director Commercial and Finance	Sponsor
Acting Director of Finance	Supportive
Finance Business Partner	Supportive
Procurement Category Lead	Supportive
Property Services, Head of Rating	Supportive

Responsible Procurement

14. There are no adverse responsible procurement implications associated with this solution.

Report author:

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