

AGENDA ITEM:

<b>REPORT TO:</b>	<b>MERSEYSIDE FIRE &amp; RESCUE AUTHORITY MEETING</b>
<b>DATE:</b>	<b>30<sup>TH</sup> SEPTEMBER 2010</b>
<b>REPORT NO.</b>	<b>CFO/157/10</b>
<b>REPORTING OFFICER:</b>	<b>ASSISTANT CHIEF EXECUTIVE &amp; TREASURER</b>
<b>CONTACT OFFICER:</b>	<b>DEB APPLETON, DIRECTOR OF STRATEGY &amp; MEMBER DEVELOPMENT (0151 296 4402)</b>
<b>OFFICERS CONSULTED:</b>	<b>CAROLINE BERRY, LITIGATION &amp; INSURANCE OFFICER</b>
<b>SUBJECT:</b>	<b>TENDER FOR INSURANCE SERVICES 2011</b>

**THERE ARE NO APPENDICES TO THIS REPORT**

Purpose of Report

1. To request that Members note the recommendations of this report relating to the tender for the Authority's insurance provision from April 2011, to deliver value for money by procuring the most appropriate cover for our risks at the most advantageous price.

Recommendation

2. That Members note the recommendations of this report.

Introduction & Background

3. The Authority's current insurance contract with Zurich Municipal expires on 31<sup>st</sup> March 2011. The current contract is worth £493,000 and it is therefore necessary to follow EU procurement processes and tender for these services. Further to the report to the Strategic Assets Committee on 15<sup>th</sup> July 2010, it has now been agreed that MFRA will be tendering for our insurance services from April 2011 in collaboration with Greater Manchester Fire & Rescue Authority. This will be achieved by procuring the services of a broker, Health Lambert (who are already contracted by GMFRS) and costs will be contained within existing budgets.
4. Following consideration of the recommendations of a fund audit and programme design exercise carried out by Heath Lambert for both Fire and Rescue Authorities it has been agreed that there are potential benefits to aligning the insurances of both Authorities, which will allow us to achieve the most economic insurance cover at the most advantageous cost. This will not however prevent individual insurances being obtained as required to meet the specific needs of each service, for example boat insurance for the Marine Rescue Unit.

5. The tendering process will result in two separate contracts for insurance, one for each Authority and neither Authority will be responsible for the other's liabilities. However it is anticipated that by adopting this approach we will be able to attract more competitive quotes from more insurers.
6. There will be an open day in November for insurers to attend which will allow them to fully understand the functions of a modern fire and rescue service, the risk that they are being asked to insure and the control measures that the Authority has in place to reduce those risks.

#### Equality & Diversity Implications

7. None arising out of this report.

#### Financial Implications & Value for Money

8. It cannot be guaranteed that premiums will reduce as a result of this process however it is hoped that improved insurance cover will be obtained that will allow the Authority to achieve value for money by balancing the premiums paid against the level of self insurance the Authority is willing to carry and the level of cover required.

#### Health & Safety and Environmental Implications

9. None arising out of this report.

#### Contribution to Achieving Our Purpose:

"To Make Merseyside a Safer, Stronger, Healthier Community"

10. The process will ensure that the Authority is providing adequate insurance for the risks faced whilst providing value for money.

#### **BACKGROUND PAPERS**

None