

FINANCE URGENT KEY DECISION



DECISION OF: SECTION 151 OFFICER

WITH ADVICE FROM:

DIRECTORATE: RESOURCES

DECISION NO: 029

SUBJECT: DECISION TO AWARD THE LEASEHOLDER RESIDENTIAL PROPERTY INSURANCE FOR 2023/2024

KEY DECISION: YES

REASON ABOVE £500,000

BACKGROUND

Following a withdrawal of the supplier from residential leaseholder market, cover has been sourced on an annual basis with a full tender to occur next year. The insurance market for this category of insurance is currently extremely challenging with very few suppliers providing this insurance cover currently.

DECISION

AWARD OF LEASEHOLDER RESIDENTIAL PROPERTY INSURANCE TO PROTECTOR INSURANCE

FINANCIAL IMPLICATIONS

The overall cost of the insurance cover has increased this is due to the large increase in sum insured due to increases in property valuations, change in valuation approach and additional properties added to the portfolio in the previous insurance period. The average cost of cover for each leaseholder is approximately £280 a year, this compares to approximately £160 during 2022/23. (75% increase). The approximate 75% increase in premium per leaseholder is following a valuation review that has increased property values by 70%.

This is currently estimated at £511,000, however the approval sought is up to £550,000 to accommodate changes to properties added during the coming financial year.

LEGAL POWERS AND IMPLICATIONS

This decision complies with the 2015 Procurement Regulations and the Council's own procurement rules.

Husinara Jones, Team Manager/Solicitor 21 March 2023.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Not applicable.

CONSULTATION

Not applicable.

RISK MANAGEMENT

The council has an obligation as the freeholder for these properties to source insurance cover on behalf of the leaseholders.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment?

Yes (overarching insurance equality impact assessment completed)

CORPORATE IMPLICATIONS

Insurance renewals are required annually, this decision is considered urgent due to the timing of these renewals being required for the 1st April 2023. In previous years this has been undertaken through alternative routes under the scheme of delegation as the value did not exceed £500,000.

SIGNATORIES

DECISION MAKER

S151 Officer

Name: Sarah Chodkiewicz
Title: **Head of Financial Management/Deputy s151 Officer**

Signed: 

Date: **22/03/23**

Cabinet Member

Name: Councillor Craig Cheney
Title: **Deputy Mayor Finance, Governance and Performance**

Signed: 

Date: **23/3/23**

Note: If electronic signature used email from Director confirming decision and allowing use of electronic signature must be attached