

Delegated Decision Notice (DDN)

This form is the written record of a key, significant operational or administrative decision taken by an officer.

Decision type	<input type="checkbox"/> Key Decision	<input checked="" type="checkbox"/> Significant Operational Decision	<input type="checkbox"/> Administrative Decision
Approximate value	<input type="checkbox"/> Below £500,000 <input type="checkbox"/> £500,000 to £1,000,000 <input type="checkbox"/> over £1,000,000	<input type="checkbox"/> below £25,000 <input type="checkbox"/> £25,000 to £100,000 <input type="checkbox"/> £100,000 to £500,000 <input checked="" type="checkbox"/> Over £500,000	<input type="checkbox"/> below £25,000 <input type="checkbox"/> £25,000 to £100,000
Director¹	Director of Resources		
Contact person:	Louise Booth	Telephone number: 0113 37 80503	
Subject²:	Contract for the Insurance of Leasehold Flats (2023-2028)		
Decision details³:	<p>What decision has been taken? (Set out all necessary decisions to be taken by the decision taker including decisions in relation to exempt information, exemption from call-in etc.)</p> <p>The Chief Officer Financial Services approved the award of a contract for insurance cover for Leasehold Flats to Protector Forsikring ASA (Protector Insurance). The contract is to commence on 1st April 2023 for a period of five years at a value of £338,106 plus insurance premium tax for the first year of cover.</p> <p>A brief statement of the reasons for the decision (Include any significant financial, procurement, legal or equalities implications, having consulted with Finance, PACS, Legal, HR and Equality colleagues as appropriate)</p> <p>Procurement consultation with Procurement and Commercial Services ('PACS') has been ongoing since May 2022 to ensure that requirements for the procurement of the contract will be fully met.</p> <p>In accordance with the council's brokerage contract, the broker Marsh Ltd has been engaged and consulted to ensure that the procurement exercise provided best value for money to the council. The brokers have explained that the market for insurance cover like this is currently a hardening market, with many providers withdrawing from the market and premiums rising to reflect the losses experienced by the market in recent years. The brokers have confirmed that based on their expertise and experience, having evaluated the bid it is reasonable in the context of the market as it stands.</p> <p>Under the Landlord and Tenant Act 1985, the council is required to consult with the leaseholders prior to entering into a qualifying long term agreement. The leasehold section of the council have undertaken statutory consultation with leaseholders.</p>		

¹ Give title of Director with delegated responsibility for function to which decision relates.

² If the decision is key and has appeared on the list of forthcoming key decisions, the title of the decision should be the same as that used in the list

³ Simply refer to supporting report where used as these matters have been set out in detail.

	<p>Only one observation, including two questions, was submitted as part of the consultation process. The questions posed do not impact this decision.</p> <p>Given the length of contract term and the contract value, recovery of the full cost of the insurance premium under the leasehold service charge is subject to compliance with the Landlord and Tenant Act 1985 and the Service Charges (Consultation Requirements) (England) Regulations 2003. Together these require consultation with the leaseholders in respect of a qualifying long term agreement. In the absence of compliance the recovery of contract costs is capped at £100 for each leasehold owner.</p> <p>As a result of changes in the procurement approach, and the current state of the leasehold insurance market, the council has been unable to comply in full with these requirements, and is therefore subject to the cap on recovery. As a result the total recharge in the first year will recover £255,700; a shortfall of around £86,800 against the total expenditure. Based on the assumption of an annual increase of 12%, the overall potential shortfall to the authority, would be approx. £551k.</p> <p>This decision is a significant operational decision taken as a direct consequence of the key decision giving authority to procure by the Director of Resources in July 2022 (D55478).</p>
	<p>Brief details of any alternative options considered and rejected by the decision maker at the time of making the decision</p> <p>Do nothing – not an option as insurance is a legal requirement</p>
Affected wards:	N/A
Details of consultation undertaken⁴:	Executive Member N/A
	Ward Councillors N/A
	Chief Digital and Information Officer ⁵ N/A
	Chief Asset Management and Regeneration Officer ⁶ N/A
	Others Housing Services, Legal Services and Procurement and Commercial Services
Implementation	<p>Officer accountable, and proposed timescales for implementation</p> <p>Victoria Bradshaw (Chief Finance Officer) – Implementation on 31st March 2023</p>
List of	Date Added to List:-

⁴ Include details of any interest disclosed by an elected Member on consultation and the date of any relevant dispensation given.

⁵ See Officer Delegation Scheme (Executive Functions) CDIO must be consulted in relation to all matters relating to the Council's use of digital technology

⁶ See Officer Delegation Scheme (Executive Functions) CAMRO must be consulted in relation to all matters relating to the Council's land and buildings.

Forthcoming Key Decisions⁷	N/A	
	If Special Urgency or General Exception a brief statement of the reason why it is impracticable to delay the decision	
	N/A	
Publication of report⁸	If Special Urgency Relevant Scrutiny Chair(s) approval	
	Signature	Date
Call-in	If not published for 5 clear working days prior to decision being taken the reason why not possible: N/A	
	If published late relevant Executive member's approval	
	Signature	Date
Approval of Decision	Is the decision available ⁹ for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If exempt from call-in , the reason why call-in would prejudice the interests of the council or the public:	
	N/A	
Approval of Decision	Authorised decision maker ¹⁰	
	Chief Officer Financial Services	
	Signature V. F. Bradshaw	Date 31.03.23

⁷ See Executive and Decision Making Procedure Rule 2.4 - 2.6. Complete this section for key decisions only

⁸ See Executive and Decision Making Procedure Rule 3.1. Complete this section for key decisions only

⁹ See Executive and Decision Making Procedure Rule 5.1. Significant operational decisions taken by officers are never available for call-in. Key decisions are always available for call-in unless they have been exempted from call-in under rule 5.1.3.

¹⁰ Give the post title and name of the officer with appropriate delegated authority to take the decision.