

Contract Standing Orders Waiver Report



WAIVER REQUEST REPORT

Item no:	Agenda Item 12 – Finance Committee
Date:	22 October 2019
Title of Report:	Provision of Professional Indemnity Insurance
Report from	Gareth Hughes – Responsible Financial Officer
Context:	Waiver request to enable the Council to enter into a sole supplier contract in accordance with the Town Council's Contract Standing Orders.
Financial Summary:	The current quote from Hiscox for the provision of Professional Indemnity Insurance for a one-year term is £5,990. To cover this cost will require a virement to be made from the Councils 2019 – 2020 approved budget.
Tender Reference Number:	Not Applicable
Report Author:	Saskia Blackmore, Town Clerk

1. SUMMARY

- 1.1 This report details the request for a waiver from the requirements of the Contract Standing Orders of the Council.
- 1.2 The waiver requested is to enable the Council to enter into a sole supplier contract with Hiscox for the provision of Professional Indemnity Insurance for the Town Council

2 BACKGROUND INFORMATION

2.1 Background

- 2.1.1 The Town Council is required to have all necessary insurances for the proper delivery of its functions.
- 2.1.2 The Town Council's insurance portfolio is extensive and is currently provided by Zurich Municipal. However, this portfolio of insurances currently does not include Professional Indemnity Insurance.
- 2.1.3 During the recent work undertaken as part of the Community Connectors project it was identified that the Town Council should consider adding Professional Indemnity Insurance to its portfolio to cover those services for which it provides professional advice. As a result, a range of insurers were approached to provide quotes, including Zurich Municipal who currently provide the Town Council's portfolio of Insurances.
- 2.1.4 However, due to the specialist nature of the insurance only Hiscox were able to provide a quote.
- 2.1.5 The quotation received from Hiscox for the provision of Professional Indemnity Insurance for the appropriate range of services provided by the Town Council for a 12-month period is £5,992.
- 2.1.6 If the Town Council wish to add Professional Indemnity Insurance to its current portfolio of Insurances to indemnify it against any potential future claims, then the only option is to enter into a contract with Hiscox, and hence for the need to agree a contract waiver in accordance with the Council's current approved Contract Standing Orders.
- 2.1.7 If approved, to cover the cost of this Insurance will require approval for a virement to be made into the current Insurance budget from the Council's approved 2019 – 2020 budget.

2.2 Waiver request

- 2.2.1 The nature of the waiver is for reasons of compliance with the Council's Contract Standing Orders (CSO's) and Financial Regulations (FR's). In accordance with clause 2.3.3 of the CSO's any contract that has an estimated value over £5,000 must seek at least three written quotations from bona fide suppliers.

2.2.2 However, the Councils CSO's do permit exceptions to the rules when particular circumstances arise. These are detailed in clause 1.4. The specific sub-clause applicable in this particular instance is 1.4.2 (iv) – Sole Source of Supply (Where suitable goods or services are genuinely only available from one supplier and where no realistic alternative source of supply exists).

2.2.3 From the quotation exercise undertaken with a range of Insurers it was only possible to obtain a quotation from Hiscox for the provision of Professional Indemnity Insurance for the Town Council, being the sole supplier for this service.

2.3 Outstanding Issues

2.3.1 There are no outstanding issues.

2.4 Legal implications

2.4.1 If the waiver is approved and the authority given to the Clerk to the Council, then arrangements will be made to enter into a contract with Hiscox for the provision of Professional Indemnity Insurance for a period of 12 months in accordance with the terms of the quotation, and commencing on 1 November 2019.

2.5 Financial Implications

2.5.1 A virement will be required to be made to the Insurance budget from the Council's 2019 – 2020 budget to enable the service to be provided. The cost, excluding VAT, for this service to be provided will be £5,990.

3. OPTIONS

3.1 That the Finance Committee approves the request for a waiver of the Councils Contract Standing Orders for the award of a contract to Hiscox for the provision of the Professional Indemnity Insurance for the Council, and that this decision be reported to the next Full Town Council meeting for noting.

3.2 That the Finance Committee do not approve the request for a waiver of the Councils Contract Standing Orders and refer the decision to the next Full Town Council meeting.

4. RECOMMENDATIONS

4.1 That the Council's Finance Committee approves the request for a waiver of the Contract Standing Orders of the Council for the award of a contract to Hiscox for the provision of the Professional Indemnity Insurance for the Council,

4.2 That the Clerk to the Council is given Authority to award the contract to Hiscox for the period 1 November 2019 to 31 October 2020 at a total cost of £5,990 plus VAT.

5 AUTHORISATION

- 5.1 Request submitted to the Finance Committee by the Responsible Financial Officer to the Council.