P&R Committee Meeting	
Meeting Date	17 June 2026
Report Title	Contract for Insurance coverage and associated service (excluding broker services)
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Claire Stanbury, Head of Finance and Procurement
Lead Officer	Charlotte Knowles, Commissioning Manager
Classification	**Open**
Recommendations	1. Agree to the first year extension of the contracts 2. Delegate authority to the Head of Finance and Procurement in consultation with the chair of Policy & Resources Committee to take up the second extension period. 3. Retender on the same basis as the current contracts

1 Purpose of Report and Executive Summary

1.1 The current insurance contracts commenced on 31st July 2023 for an initial period of three years with two 12 month extension periods. This report seeks committee approval to extend the contracts initially by 12 months, seeks delegated authority to take up the second extension options and to retender on the same basis as the current contracts.

2 Background, Context and Proposals

2.1 In 2023, a one stage tender process was carried out based on the most economically advantageous tender (MEAT) to provide insurance coverage and associated services (excluding broker services). The tender was compliant with the Public Contracts Regulations 2015. External consultants, Gallagher were appointed to support the Authority as technical advisor throughout the process. The tender was broken into 8 Lots:

- Lot 1: Property including Computers, Contract Works, Business Interruption, Special (all) risks and Money
- Lot 2: Commercial & Industrial properties let to tenants
- Lot 3: Casualty insurance including Employers/Public/Products Liability, Officials Indemnity, Professional Negligence, Hirers Liability.
- Lot 4: Fidelity Guarantee
- Lot 5: Motor Fleet insurance
- Lot 6: Personal Accident
- Lot 7: Engineering services (Inspection and Insurance)

- Lot 8: Package encompassing Lot 1 – Property, Lot 3 – Casualty and Lot 5 – Motor Fleet.

2.2 The majority of the Lots were evaluated on 58% price, 35% quality and 7% social value with the exception of Lot 4 – Fidelity Guarantee and Lot 6 – Personal Accident & Travel which did not include social value.

2.3 On 12 July 2023, Policy and Resources Committee agreed that Lots 1,3 and 5 be awarded as a package through Lot 8 as this was the most cost effective option. It also approved the appointment of Company A (Protector Insurance) for Lots 2 and 8 from 31 July 2023 for an initial period of three years, with the option to extend by two further periods of one year, at a value of £907,328 and the appointment of Company C (Zurich) for Lots 4, 6 and 7 for the same period at a value of £58,913. The total contract value at the time of award if both extension options were utilised was estimated as £1,610,402.

2.4 This report now seeks approval to extend the contracts and to re-tender on the same basis if required.

3 Recommendations

3.1 To agree to the first year extension of the contracts.

3.2 To delegate authority to the Head of Finance and Procurement in consultation with the chair of Policy & Resources Committee to take up the second extension period, provided that the Head of Finance and Procurement is satisfied with the level of service at the time of the renewal. This would avoid re-tendering ahead of Local Government Reorganisation.

3.3 If required when the contract extensions have been applied, to retender the new contract on the same basis as the current contracts, where the insurance will be broken into Lots in order to secure the best value across the insurance portfolio. The tender would comply with the Procurement Act which requires tenders to be assessed based on the Most Advantageous Tender.

4 Alternative Options Considered and Rejected

4.1 Do nothing. This option is not recommended as the Council would not be insured and would have to face the full financial impact of any damages.

4.2 Re-contract, instead of extending. This option is not recommended as there is not sufficient time for a fully compliant tender exercise before the current contract expires.

5 Consultation Undertaken or Proposed

5.1 The Director of Resources, the Head of Finance and Procurement, Gallagher insurance brokers and the insurance manager who provides the insurance service to Swale support the recommendations.

6 Implications

Issue	Implications
Corporate Plan	Extending the current contract that provides a good quality service and good value for money contributes towards all the corporate priorities as it ensures that the Council hold sufficient insurance cover at a cost that is within the budget framework.
Financial, Resource and Property	The estimated value of each annual extension is **£349,282.**
Legal, Statutory and Procurement	The terms and conditions of the extension/s will be the same as the current contracts. The re-tender will be in accordance with Contract Standing Orders and the Procurement Act.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	The original tender process ensured that the tenderers were fully competent to the provide the required level of service.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.
Local Government Reorganisation	Utilising both extension options would avoid a re-tender ahead of Local Government Reorganisation.

7 Appendices

7.1 None.

8 Background Papers

8.1 Procurement of Insurance coverage and associated service (excluding broker services), 12 July 2023.