

# CITY COUNCIL – 15 OCTOBER 2007

## REPORT OF THE LEADER

### DECISION BY PORTFOLIO HOLDER UNDER SPECIAL URGENCY PROCEDURE

#### 1 SUMMARY

This report is submitted in accordance with Rule 14 of the Overview and Scrutiny Procedure Rules, set out in Appendix 6 (i) of the Constitution, regarding a Portfolio Holder Decision taken under the Urgency Procedure which, therefore, was not subject to the usual Call-in procedures.

#### 2 RECOMMENDATIONS

IT IS RECOMMENDED that Council notes:-

- the Portfolio Holder Decision 407, which authorised the Strategic Finance Director to place the Council's fleet insurance with Risk Management Partners (RMP) up to 31<sup>st</sup> March 2010, at a rate of £471.45 per vehicle; and
- the reason for the urgency, namely that a decision was required by 28 September 2007 in order to obtain the discounted insurance rate offered by RMP.

#### 3 BACKGROUND

3.1 The Council's motor fleet was insured with RMP under a three year deal which was due to expire on 30 September 2008, with an option for a further two year extension.

3.2 The Council's Insurance Brokers, Griffiths and Armour (GA), negotiated an extension with an expiry date of 31 March 2010, enabling all of the Council's insurance policies to be in line and making better rates more achievable. Also, the negotiated rate represented a 20% discount on the current rate as detailed below.

The previous rate payable was £589 (£561+ 5% Insurance Premium Tax) and based on the current fleet numbers (899 vehicles), the estimated savings up to 31<sup>st</sup> March 2010 are as follows:-

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
<b>New rate:-</b>	<b>£</b>	<b>£</b>	<b>£</b>
½ year 899 @ £589	264,756	-	-
½ year 899 @ £471.45	211,917	423,834	423,834
	<b>476,673</b>	<b>423,834</b>	<b>423,834</b>
<b>Existing rate:-</b>			
899 @ £589	529,511	529,511	529,511
<b>Saving</b>	<b>(52,838)</b>	<b>(105,677)</b>	<b>(105,677)</b>

In addition to the premium, payment is made in respect of claims handling at the current rate of £110 per claim. This figure will be increased by 5% per annum.

- 3.3 It was GA's view that given the uncertainty of the rate which would be achieved if the Council went out for tender in 2008, and the savings which could be accrued, the negotiated rate of £471.45 per vehicle represented value for money.
- 3.4 GA informed the Council of the result of their negotiations on 18 September 2007. In order to take advantage of the reduced rate, RMP needed to be notified by 28 September 2007. The Portfolio Holder Decision was made on 26 September 2007 and published the following day and, in order to meet RMP's deadline of 28 September 2007, the Urgency Procedure was used so that the decision was not subject to the five working day deadline for Call-in.
- 3.5 In accordance with the Urgency Procedure under Rule 14 of the Overview and Scrutiny Procedure Rules, detailed on page 19 of Appendix 6(i) of the Constitution, and in the absence of Chair of the Overview and Scrutiny Committee, the agreement of the Vice-Chair was obtained that the decision was reasonable and should be dealt with as a matter of urgency.

**4 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

None.

**5 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

Portfolio Holder Decision 407 form and accompanying report  
Nottingham City Council's Constitution

**COUNCILLOR JON COLLINS  
LEADER**