

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4350

Author:

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Department:

Resident Services

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Subject:

Electric Van Experience (EVE) - Insurance Cover

Total Value:

£201,600 This is for 48 vehicles with insurance from 26th August for 2 years. (Type: Revenue)

Decision Being Taken:

To approve the expenditure for comprehensive insurance cover for 48 electric vans allocated to the Electric Van Experience.

To delegate authority to the Corporate Director of Resident Services to award the outcome of the contract and to the Director of Neighbourhood Services to sign the contract with the chosen supplier.

Reasons for the Decision(s)

In February 2020, the council secured £2.69 million grant funding from the Highways England (HE) air quality fund, to introduce the Electric Van Experience (EVE). Its objective is to offer up to 3 months free loans of electric vans to local businesses and organisations, to provide operational confidence and encourage a switch to electric.

50 vans will be purchased and will be incorporated into the council's municipal fleet at the end of the project in March 2023. This will continue the air quality improvements on major roads across the city, and contribute to Nottingham's objective to become carbon neutral by 2028. Two of the 50 vehicles NCC will be self-insuring.

The insurance will be cancelled on 1st April 2023, as the EVE project finishes on 31st March, and a refund will be sought for the remainder of the year's premium.

A Leaders Key Decision in March 2020 (decision 3842) approved the acceptance of the HE funding awarded and a local contribution of up to £1 million from the council's existing fleet programme to support the project.

An Executive Board Report on 16th June 2020, approved the development of EVE and delegated authority to the Corporate Director for Commercial and Operations (as was then) to appoint the preferred supplier.

Bespoke comprehensive insurance coverage is required to insure local businesses and organisations, to legally drive the EVE vehicles. Working with Procurement, an invitation to quote has been undertaken to four insurance providers, two of which have submitted responses and have been scored. The award will be made to the preferred supplier once approval for the spend has been confirmed.

Other Options Considered:

It is a legal requirement to provide adequate motor vehicle insurance and to protect the value of the assets. Bespoke insurance is required for the EVE vans as drivers from other businesses require insurance cover and it is not possible to cover non-NCC drivers on the council's existing fleet insurance policy.

The alternative would be to require businesses to self-insure. Experience from similar trials shows that this would reduce participation considerably. For this reason, this option was rejected.

Background Papers:

Highways England Funding Agreement

Published Works:

Delegated Decision 3842 - Acceptance of grant funding from Highways England

Electric Van Experience Project - Executive Board Report - 16th June 2020

Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	There is no reason to envisage that hiring of the vans from Nottingham City Council would have any crime and disorder implications.
Equality:	EIA not required. Reasons: Requirements for the scheme are based initially on the business applying, and then on the driving record of the user. Requirements to hire a vehicle are set out and are the same for, and applied to, all applicants.
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	31/08/2021
Advice Sought:	Legal, Finance, Procurement
Legal Advice:	This delegated decision raises no significant legal issues. Comprehensive insurance cover is a legal requirement in order for local businesses to use the vehicles. At least three written quotations have been obtained in accordance with the Council's Contract Procedure Rules. Advice provided by Sarah O'Bradaigh (senior solicitor) on 30/06/2021.
Finance Advice:	<p>The decision seeks to approve the procurement of vehicle insurance to cover the vehicles procured through the 'Electric Van Experience' project. The process used to procure the insurance is compliant with the Councils' contract procedure rules and will ensure that value for money is obtained the evaluation of multiple quotes from different suppliers. Fleet should ensure that the chosen policy provides an appropriate level cover to mitigate the risk of significant costs arising from avoidable damage when the vehicles are leased out.</p> <p>The value of this decision is based on the highest value quote received from suppliers, Fleet should look to balance the level of cover provided by a lower value insurance policy against the reduced cost of the policy to ensure that value for money is achieved. The cost of the policy will be funded through Fleet Services running costs, an administration fee has been introduced which will mitigate some of this cost.</p> <p>Advice provided by Matthew Connell (Commercial Business Partner) on 14/07/2021.</p>

Procurement Advice:

A compliant process has been undertaken following the Authority's CPRs in obtaining 3 quotes as the expected level of overall spend was under £100,000. There are no procurement concerns as the correct process has been followed. Advice provided by Louise Dobson (Business Support) on 16/07/2021.

Signatures

Sally Longford (PH for Energy, Environment and Waste Services)
SIGNED and Dated: 20/08/2021
David Murray (Interim Corporate Director for Resident Services)
SIGNED and Dated: 13/08/2021