

WIRRAL COUNCIL

PENSIONS COMMITTEE

18TH SEPTEMBER 2012

SUBJECT:	PROPERTY INSURANCE
WARD/S AFFECTED:	ALL
REPORT OF:	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update Members on progress with the procurement exercise for insurance for the Fund's property portfolio and to recommend that Allianz are appointed for this contract for a period of 3 and a half years from 25th December 2012.
- 1.2 The appendix to the report, (Assessment of tenders for provision of Insurance to MPF Property portfolio), contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 At the last meeting of Pensions Committee on 25th June, Members approved the commencement of a procurement exercise for insurance for the Fund's property portfolio.
- 2.2 The insurance cover is recharged to the tenants through the service recharge.
- 2.3 The procurement exercise is complete and the details are contained within the exempt appendix. Allianz scored highest in the assessment and are therefore recommended for appointment.

3.0 RELEVANT RISKS

- 3.1 The purpose of the actions taken and covered in this report have mitigated the two key potential risks of :
- Not having insurance cover for the Fund's property portfolio.
 - Not complying with contract procedural rules or European regulations.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 Not relevant for this report

5.0 CONSULTATION

5.1 Not relevant for this report

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are no implications arising directly from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 The insurance cover is recharged to the tenants so there are limited financial implications. The Fund under previous market conditions was able to receive a commission (approx (£90,000 per annum) on the re-charged insurance, this is no longer possible and is not material in the context of the overall income from property of £18m per annum.

7.2 There are no staffing, assets or IT implications.

8.0 LEGAL IMPLICATIONS

8.1 There are no implications arising directly from this report.

9.0 EQUALITIES IMPLICATIONS

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are no planning or community safety implications arising from this report.

12.0 RECOMMENDATIONS

12.1 Members approve the acceptance of the preferred tender, Allianz as outlined in the exempt appendix.

13.0 REASONS FOR RECOMMENDATION

13.1 Recommendation 12.1 is being made in accordance with the scheme of delegation to Pensions Committee as set out in Part 3 Schedule 2 Pensions Committee paragraphs 1, 5 and 8 and Contract Procedural Rules 14.1.7.3

FNCE/171/12

REPORT AUTHOR: **Paddy Dowdall**
Investment Manager
telephone: (0151) 242 1310
email: paddydowdall@wirral.gov.uk

APPENDICES

1. Assessment of tenders for provision of Insurance to MPF Property portfolio

REFERENCE MATERIAL

Tender Documentation

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Property Insurance Arrangements	25th June 2012
Appointment of Property Asset Manager	11th January 2011
Insurance of the Property Portfolio	18th June 2009

