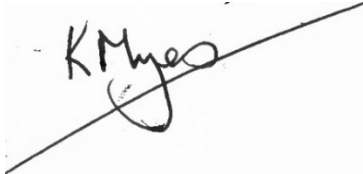


LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE Procurement Strategy for Liability, Property and Terrorism Insurance (CS/2026/12)	
REPORT OF Cabinet Member for Finance and Cost of Living	
FOR SUBMISSION TO Cabinet	DATE 6 July 2026
STRATEGIC CONTEXT We Make Camden is our joint vision for the borough, developed in partnership with our community. The Way We Work is the Council’s response to We Make Camden. Insurance of our services and assets is a key enabler to make sure services can operate even when a serious event causes loss. Through a joint procurement, it is anticipated that this is the most favourable route to deliver increased value for money for the Council.	
SUMMARY OF REPORT This report sets out the procurement strategy for property, combined liability and terrorism insurance policies. The current contracts are due to expire on the 31st of March 2027, and new contracts need to be in place to ensure that the Council has adequate and continuous insurance cover in place. The procurement will be part of a London Collaboration led by the London Borough of Croydon known as the Insurance London Consortium (ILC) by way of an open competition in accordance with the Procurement Act 2023. The report is being submitted to Cabinet in line with Contract Standing Orders, which states that Cabinet must agree procurement strategies for revenue contracts valued over £5million. Local Government Act 1972 – Access to Information No documents that require listing were used in the preparation of this report Contact Officer: Simon Roberson, Insurance Manager Address: Dennis Geffen Annexe, Camley Street NW1 0PS Telephone: 020 7974 5790 Email: simon.roberson@camden.gov.uk	
RECOMMENDATION 1. That Cabinet approves the procurement strategy for property, combined liability and terrorism insurance policies, for a contract term of 60 months and an	

estimated aggregate value of £11,000,000 (inclusive of Insurance Premium Tax) from 1st April 2027, as set out in this report.

2. To delegate authority to award the contract in accordance with the approved procurement strategy to the Executive Director Corporate Services following consultation with the Cabinet Member for Finance and Cost of Living.



Signed:

Date: 19th June 2026

1. CONTEXT AND BACKGROUND

- 1.1. This report seeks approval for the contracting strategy in relation to property, liability and terrorism insurance policies. As a local authority, there is no statutory requirement for the Council to purchase these policies. The decision to purchase insurance is taken to provide financial protection for large catastrophic incidents which would have a significant impact on council resources if such a claim occurred. The current annual cost of these policies is approximately £1.8m (inclusive of Insurance Premium Tax).
- 1.2. The Council is part of a consortium of nine councils in London called the Insurance London Consortium (ILC). The consortium is an officer led group and each borough is represented by their insurance manager. We are jointly procuring these policies with other ILC members. The London Borough of Croydon is the lead authority on procurement exercises for all members.
- 1.3. This report sets out the procurement strategy for insurance policies to commence in April 2027, for a period of 5 years (60 months) and an estimated combined value of £11million (inclusive of Insurance Premium Tax).

2. PROPOSAL AND REASONS

- 2.1. It is proposed that the Council be part of a procurement process led by the London Borough of Croydon on behalf of the Insurance London Consortium. The procurement will be run as an open tender, via the Find a Tender portal. The tenders will be evaluated in respect of quality and price. A weighted scoring system will be applied to decide the contract award and will be based on the most economically advantageous tender. The working assumption for price and quality criteria for the property, liability and terrorism insurance programmes is a split of 60% for price, 40% for quality.
- 2.2. This procurement strategy will cover the following policies:
 - **Terrorism insurance:** This covers low probability, but high value risks. It is common for all councils to have this insurance cover in place and given our prominent location in Central London with council offices and services close to two international transport hubs, it is important that the Council recognises and insures against this risk.
 - **Property insurance:** This covers insurance of all the Council's buildings including council dwellings, schools, and offices. The insurance policy covers any damage arising from fire, lightning, subsidence and escape of water. This is not an exhaustive list but provides the main areas of damage occurring.
 - **Liability insurance:** This covers risks to third parties including injury to employees. Typically, it covers our highways, slips and trips, damage to third party property (including subsidence caused by our trees) and water damage suffered to residents' properties in certain circumstances. Although there is no statutory requirement to purchase this cover, it is recognised that such insurance should be arranged to provide cover for large/ catastrophic incidents.

2.3. The estimated cost of these policies is £11m for the 5-year term of the contract as detailed below:

	Estimated cost over 5-year lifetime
Terrorism	£0.7m
Property	£7.4m
Liability	£2.9m
Total (inclusive of Insurance Premium Tax)	£11m

2.4. The data below (Table 2) sets out the number of claims made against each policy between 1 April 2022 to 31 March 2026. The total cost of the claims includes the total amount paid and the estimate set against those claims that are still open. These figures show the potential total cost of all claims received against each policy.

2.5. The aggregate stop loss sets out the total amount the Council is liable for in any one policy year. Once this figure is exceeded, any future claims will be paid by the Insurer. The figures are considered to potentially be undeveloped as any potential claimant has three years to submit their personal injury claim, or 6 years in respect of property damage. As a result, we expect the number of claims received to increase in the next three years. There is the potential that the Council may breach the aggregate stop loss figure although this appears unlikely at this time.

TABLE 2

Insurance Policy	Number of claims received			Total cost of claims (paid)			Aggregate Stop Loss		
	Property	Liability	Terrorism	Property	Liability	Terrorism	Property	Liability	Terrorism
2022-23	88	278	0	£1.01m	£0.82m	£0.0m	£2.0m	£5.0m	£0.0m
2023-24	63	371	0	£0.78m	£0.49m	£0.0m	£2.5m	£5.0m	£0.0m
2024-25	69	350	0	£0.76m	£0.42m	£0.0m	£2.5m	£5.0m	£0.0m
2025-26	87	398	0	£0.52m	£0.25m	£0.0m	£2.5m	£5.0m	£0.0m

3. OPTIONS APPRAISAL

3.1. Due to the nature of the requirement a number of procurement options were considered. A summary of the options is below. Option 5 is recommended

Option 1: Do Nothing

Option 2: Self Deliver

- Option 3: Use of a compliant framework agreement
- Option 4: Standard tender/Request for Quote (RFQ)
- Option 5: Collaborative Tender via the Find a Tender portal
- Option 6: Camden only Tender via the Find a Tender portal
- Option 7: In-sourcing

- 3.2. **Option 1 Do Nothing** is not viable due to the fact we are unable to extend the current contract beyond the term.
- 3.3. **Option 2 Self Deliver** is not determined to be the best method of delivering the contract. The Council already self-insures up to £500k on property, liability and terrorism policies. An Internal insurance fund is used to pay losses where they occur for claims beneath the policy excesses. This fund is reviewed annually by an Independent Actuary. The level of excess was increased from £100k to £500k some years ago & part of this exercise a programme review is taking place. This will help decide on the appropriate level of excess (self-insurance) & determine an appropriate trade-off between risk and premia paid., as the council has the ability to undertake a competitive procurement.
- 3.4. **Option 3 Use of a Compliant Framework Agreement** could provide a shorter route to market, as suppliers would be pre-selected to the framework agreement and because the timescales required for the tender process are not mandated (as with an advertised process). An option could be the Crown Commercial Service Insurance Brokerage and Associated Services (RM6020) framework agreement. One issue with this approach is that some of the providers we would expect to tender are not selected to the framework agreement. This approach also has two disadvantages as opposed to option 5. Firstly, procuring on our own would not make use of the combined buying power of consortium members to gain improved competition for pricing. Secondly, option 5 greatly reduces the amount of work required by Camden officers in the procurement process.
- 3.5. **Option 4 Standard Tender Request/ for Quote** enables competition, however due to the aggregated value of the procurement is not a viable procurement route.
- 3.6. **Option 5 Collaborative Tender via the Find a Tender portal** is the recommended option in order to obtain economy of scale and procurement efficiencies through running one tender between many Councils.
- 3.6.1 Further to this approach, the proposal is to collaborate as part of a consortia procurement process, led by the London Borough of Croydon. The process used will be an open competition, due to the relatively low number of potential providers in the market. Camden will feed into this process including ensuring Social Value is maximised to secure wider social, economic and environmental benefits for Camden. The ILC are committed to delivering Social Value within their contracting arrangements. Tenderers will be required to set out how they will support our wider aims in relation to the delivery of services required and have a tender evaluation weighting of 10%. Examples of what bidders may be expected to provide include potential apprenticeships and opportunities to support the 3rd Sector within the borough. This approach is based on careful consideration of the ILC Board of the nature of the product being purchased, the advice of the Lead Borough

Procurement & Commissioning Team and the advice from the ILC global risk and insurance advisers Aon on the best approach to the insurance market. Once the Invitation to Tender is finalised in August bidders will be invited to attend an open day with our brokers Aon and all ILC members. All bidders will be invited to a briefing session on the tender process and we will emphasise the importance of Social Value in the bidding process.

- 3.7 **Option 6** Camden only tender via the Find a Tender portal
This option is not recommended as will not provide Camden with economies of scale in terms of pricing which we would benefit from by collaborating as described in Option 5.
- 3.8 **Option 7 In-sourcing** is not an option as the Council is not set up to provide insurance services, nor able to self-insure itself.

4. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

- 4.1. There is a risk that insurers will not be interested in this procurement exercise. The insurance market for local authority risks has historically been limited to a small number of insurers that has resulted in reduced competition and higher rates.
- 4.2. A goal of the consortium is to increase competition and the number of insurers that respond to tenders. The consortium's broker continues to engage with the insurance market to promote the tender. This includes a number of insurers who are currently not competing in the market, but who have expressed an interest in working with local authorities and the ILC. A series of market warming meetings have been conducted to assist in understanding the tender process and the consortium members' requirements. An Insurer day has also been arranged in September to provide more information about the consortium and to address any questions Insurers may have.
- 4.3. The Council also runs the risk that the contract specification is not understood or specified in-line with market expectations. Our brokers have been involved in compiling the specifications. They understand the market and have ensured our specification is acceptable to the market.
- 4.4. Finally, there is a risk that the bids are not competitive. Tendering as a consortium ensures that these policies harness economies of scale and are attractive to the marketplace and will ensure we receive competitive pricing on these risks.

5. CONSULTATION/ENGAGEMENT

- 5.1. No consultation is required.
- 5.2. An Equality Impact Assessment screening tool has been undertaken and shows no potential for impact through delivery of the contract. These arrangements are internal risk-transfer mechanisms that provide financial indemnity directly to the

Council. They are not services provided to residents, service users, communities, or employees.

6. LEGAL IMPLICATIONS

- 6.1. This report recommends the procurement of property, combined liability and terrorism insurance policies via the Insurance London Consortium at an estimated value of £11million over a period of five years. It is recommended that a price quality split of 60/40% is used for this procurement.
- 6.2. Contract Standing Orders (CSOs) require that Cabinet approve the strategy due to the estimated values involved. The report recommends that the award of the contract be delegated to the Executive Director of Corporate Services.
- 6.3. Legal Services will assist in the procurement and drafting of contract documentation required in the implementation of this procurement strategy if approved by Cabinet.
- 6.4. Legal Services have assessed the recommendations in the report and consider that the recommendations are in compliance with the CSOs and Procurement Act 2023.

7. RESOURCE IMPLICATIONS

- 7.1. This report sets out the approach for the procurement of new Property, Combined Liability and Terrorism Insurance policies, with the current arrangements due to expire on 31 March 2027.
- 7.2. It is proposed that the procurement is undertaken through participation in a consortium arrangement, with the objective of achieving economies of scale and securing the most advantageous terms available to participating authorities. The estimated total cost of the contracts over a five-year period is £11,000,000, inclusive of Insurance Premium Tax (approximately £2,200,000 per annum). There is sufficient budget provision in place to meet these costs.
- 7.3. The contracts will incorporate allowances for inflationary increases in property values over the proposed five-year term. Any additional premium increases would be driven by factors such as claims experience and prevailing insurance market conditions.
- 7.4. This procurement approach has previously proven effective by reducing duplication of effort and delivering economies of scale through the collective purchasing power of 7 councils. Any efficiencies achieved through this procurement, together with the outcomes of annual reviews of the Council's insurance excess levels undertaken in conjunction with the Council's actuary, will be reflected within the Council's Medium-Term Financial Strategy (MTFS).

8. ENVIRONMENTAL IMPLICATIONS

8.1 The proposals do not have any environmental implications.

9. TIMETABLE FOR IMPLEMENTATION

9.1. The following table sets out key milestones.

Key milestones	Indicative Date (or range)
Insurer day	Week commencing 07/09/2026
Tender advert	11/09/2026
Deadline for submission of tenders	06/11/2026
Tender evaluation and clarification period	11/01/2027
Contract Award	February 2027
Contract Award Report – (Executive Director Corporate Services)	February 2027
Winning Tenderer's Social Value Delivery Plan logged	February 2027
Contract start date	01/04/2027

10. APPENDICES

None

REPORT ENDS