

	Final Authority to Award a Contract for Leasehold Property Insurance
	Report from the Corporate Director of Resident Services
	Lead Cabinet Member for Housing, Homelessness and Renter Security
Final Authority to Award a Contract for Leasehold Property Insurance Following Leaseholder Consultation	

Wards Affected:	All Wards
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	Appendix 1 – Summary of Observations and Responses
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Name: Kate Daine Job Title: Head of Housing and Neighbourhoods Email: Kate.daine@brent.gov.uk Name: Esther Abe Job Title: Insurance Manager Email: Esther.abe@brent.gov.uk

1.0 Executive Summary

- 1.1 This report concerns the future provision of the Council’s Leasehold Insurance Services contract and requests final authority to award a contract in respect of Leasehold Property Insurance to start on the 01st November 2023.
- 1.2 This is following the successful conclusion of the statutory consultation with the Council’s Leaseholders per section 20 of the Landlord and Tenant Act 1985 which concluded on the 14/10/2023.

2.0 Recommendation(s)

- 2.1 That the Corporate Director of Resident Services, in consultation with the Lead Member for Housing, Homelessness and Renter Security:
- i) Approves the final award of the contract for Leasehold Property Insurance to Arthur J. Gallagher Insurance Brokers Ltd in the sum of £1,244,935.38 in the first contract year, £4,979,741.52 for a further period of four years making a total of £6,224,676.90 over the contract

period if there are no changes to the leasehold property portfolio, inflation and or risk levels in the market.

3.0 Detail

Contribution to Borough Plan Priorities & Strategic Context

3.1 The award of this contract contributes to the Prosperity and Stability in Brent priority area of the Council's Borough Plan 2023-27. By competitively tendering for this requirement the Council has secured value for money leasehold insurance for its residents which will protect them against loss in the event that risks materialise.

Other Considerations

3.2 The particulars regarding the tender process undertaken and the evaluation process are the same as those detailed in the [Interim Authority to Award Report](#) presented and approved on the 08/09/2023.

4.0 Stakeholder and ward member consultation and engagement

Leaseholder Consultation

4.1 Under the terms of the lease, the Council is responsible for insuring the building against destruction or damage by fire, tempest, flood and other risks against which it is normal practice to insure. As stated in the [interim Award report](#) in paragraph 5.6 & 5.7, the Council is required (pursuant to section 20 of the Landlord and Tenant Act 1985) to consult with its leaseholders when entering into any Qualifying Long-Term Agreement (QLTA).

The statutory consultation with Council Leaseholders took place in two stages:

- **First Stage - Notice of Intention:** 20 March 2023 to 24 April 2023
- **Second Stage - Notice of Proposals / Estimates:** 11 September – 14 October 23

Both notices are completed in accordance with Schedule 2 to the Service Charges (Consultation Requirements) (England) Regulations 2003 ('the 2003 Regulations').

4.2 The purpose of the first notice is to provide leaseholders with general information about the proposed contract and to invite their written observations on it, which the Council is required to have regard to. This notice was issued on the 20 March 2023 and 6 observations were received and responded to by the Council. A summary of the observations and responses is set out in Appendix 1 attached to the [interim report](#).

4.3 The purpose of the second notice is for the Council to send leaseholders information about the proposed agreement, including the name of every contractor involved in that agreement and the leaseholders' estimated

contributions (if known; otherwise, the estimated costs or if these are also not known at the time, the Council should provide this information to the leaseholders once received). The second notice should also include a copy of the proposal itself, or the option to inspect it, inviting written observations from the leaseholders on the same. This notice was issued on the 11 September 2023 and ten observations were received and responded to by the Council. A summary of the observations and responses is set out in Appendix 1 below.

5.0 Financial Implications

- 5.1 The annual cost of the contract is estimated at £1.24m on average over the period of contract and will be funded from the Housing Revenue Account (HRA). Annual cost including inflationary uplifts are fully recoverable through service charges to leaseholders, resulting in a balanced position for the Council provided those service charges are issued correctly and in time, failure to do so will result in funding pressures in the HRA.

6.0 Legal Implications

- 6.1 The estimated value of the Contract over its lifetime is in excess of the Public Contracts Regulations 2015 (the “PCR 2015”) threshold for Services and the award of the Contract is therefore governed by the PCR 2015. Paragraph 3 of the report outlines how the Contract was procured in accordance with the PCR 2015.
- 6.2 The award of the Contract is subject to the Council’s own Standing Orders and Financial Regulations in respect of High Value Contracts given the estimated valued at £6,224,676.90 over the term of the Contract.
- 6.3 Cabinet on 13 March 2023 delegated authority to the Corporate Director of Resident Services in consultation with the Lead Member for Housing, Homelessness and Renter Security to award the Contract.
- 6.4 The Council must observe a mandatory minimum 10 calendar day standstill period under the PCR 2015 before the Contract can be awarded. Therefore, once the Corporate Director has determined which tenderer should be awarded the Contract, all tenderers will be issued with written notification of the Contract award decision. A minimum 10 calendar day standstill period will then be observed before the Contract is concluded – this period will begin the day after all Tenderers are sent notification of the award decision – and additional debrief information will be provided to unsuccessful tenderers in accordance with the PCR 2015.

The standstill period will run concurrently with the Council’s usual call-in process. Subject to there being no call-in, after the standstill period ends, the successful tenderer will be issued with a letter of acceptance and the Contract can commence.

6.5 The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE2006) are unlikely to apply to the proposed Contract due to the nature of the Service.

6.6 Given that this is a Qualifying Long-Term Agreement (QLTA) for the purposes of Section 20 of the Landlord and Tenant Act 1985 (as amended), the consultation procedure set out in the Service Charges (Consultation Requirements) (England) Regulations 2003 ('the 2003 Regulations') must be followed. Officers have advised in paragraphs 4.1 – 4.3 of this report that both stages of the consultation are completed in accordance with Schedule 2 to the Service Charges (Consultation Requirements) (England) Regulations 2003 ('the 2003 Regulations'. Regard must be had to the observations of leaseholders.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 Pursuant to s149 Equality Act 2010 (the "Public Sector Equality Duty"), the Council must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it

7.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

7.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

7.4 There is no prescribed manner in which the Council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

7.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

8.0 Climate Change and Environmental Considerations

8.1 There was a 10% evaluation score associated with Social Value and three themes in this area were selected. Providers were asked how they plan to

provide social value through this contract.

- 8.2 The Social Value criteria and weightings were as follows:
A Cleaner, More Considerate Brent 4%
A Borough where We Can All Feel Safe, Secure, Happy and Health 3%
A Future Built for Everyone, an Economy Fit for All 3%

- 8.3 As part of their tender response Arthur J. Gallagher Insurance Brokers Ltd have agreed to provide funding by way of a donation to support one of Brent's community organisations (Harlesden Neighbourhood Forum or Brent Cycline Campaign), to arrange a day's litter picking within the borough and provide sponsorship to a local event (a gardening workshop or a re-use and repair pop-up event).

9.0 Human Resources/Property Considerations (if appropriate)

- 9.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the Contract.

10.0 Communication Considerations

- 10.1 Please see section 4 of and Appendix 1 this report.

Related documents

[Authority to Tender Report presented to Cabinet](#) (16/03/2023); and
[Interim Authority to Award Report](#) (approved 08/09/2023)

Report sign off:

Peter Gadson
Corporate Director of Resident Services