

**BRENT HOUSING PARTNERSHIP BOARD**

<b>Meeting: BHP Board</b>	<b>Date: 15<sup>th</sup> December 2011</b>
<b>Report Author: Jennie Rosenthal</b>	<b>Title: Tenants Contents Insurance</b>
<b>Contact Officer: Jennie Rosenthal</b>	<b>Classification: For Decision</b>
<b>Contains Private and Confidential Information:</b>	<b>NO</b>

**1. Matters for Consideration**

- 1.1 This report asks the Board to agree to waive contract standing orders with regard to a low value contract for provision of Tenants Contents Insurance.
- 1.2 Tenants are able to take out house contents insurance which they pay for with their rent.
- 1.3 The current insurance scheme is provided by Royal Sun Alliance, with the contract arranged through the Council's broker Marsh. It expires in April 2012.
- 1.4 The value of the premiums paid by BHP to Marsh amount to around £77,000 a year.
- 1.5 BHP's Contract Standing Orders require contracts of this value to be tendered, however it is not a contract between BHP and the provider in the normal way, as BHP do not pay them, we only transfer money to them which has been paid by the tenants. Under EU rules this constitutes a concession and concessions are not subject to EU Regulations. BHP's contract standing orders do not specify how concessions should be dealt with.
- 1.6 It would be possible to tender out this 'contract', by placing an advert and undergoing a normal procurement process. However it is a specialist field and it is considered more time and cost effective to speak to other ALMOs and Housing Associations to ask them who they use for tenant content insurance and whether they are happy with them and then contact 6 providers and ask them if they are interested in quoting for us. We can then evaluate them against each other and our award criteria and choose the one which provides best value to BHP and the tenants.

**2. Financial and/or Legal Implications**

- 2.1 BHP's Contract Standing Order 3 (a) states:  
Every contract entered into by BHP shall be entered into pursuant to or in connection with BHP's functions AND shall be procured in accordance with all relevant domestic and European Legislation and, unless for good operational and/or financial reasons the Board agree otherwise, with these Contract Standing Orders and BHP's Financial Regulations.

- 2.2 The EU Directive defines service concessions as contracts of the same type as a public service contract except for the fact that the consideration for the provision of services consists either solely in the right to exploit the service or in this right together with payment. Service concessions are, however, not subject to any detailed rules in the Directive.

Service concessions are only subject to the principles and rules enshrined in the EC Treaty of equality of treatment, transparency and fairness

- 2.3 Contract Standing Orders require all "medium value contracts", ie those between £150k and £500k in value over the lifetime of the contract, to be subject to a competitive tender, but the Board can agree to waive this requirement.

3. **Equality Analysis** (This is mandatory for all policy or service delivery decisions directly affecting residents)

Report attached at Appendix A

#### 4. **Recommendations**

- 4.1 To agree that there are good financial and operational reasons why this contract should not be formally tendered, but a competitive quotation exercise undertaken to ensure that BHP obtains best value for itself and its tenants.

#### 5. **Access to Information**

No restrictions apply