



**To:** Business Coordination Board

**From:** Chief Executive and Chief Constable

**Date:** 08 May 2014

## **SOUTH EAST AND EASTERN REGION POLICE INSURANCE CONSORTIUM (SEERPIC)**

### **1 Recommendation**

#### 1.1 To note:

- The proposal to replace the current mandate with a section 22A agreement
- The Draft S22A agreement.
- A final Section 22A will be presented to the Business Co Ordination Board at the next meeting on Thursday 12<sup>th</sup> June 2013.

### **2 Background**

2.1 SEERPIC was created in 2000 with a vision to minimise risk, financing costs and maximise financial savings by purchasing as a consortium. It strives to combine the interests of multiple police forces into a strategic and unified approach to achieve the very best for participating members. These members are:

- Bedfordshire
- British Transport Police
- Cambridgeshire
- Essex
- Hampshire
- Hertfordshire
- Kent
- Norfolk
- Suffolk
- Surrey
- Sussex

- Thames Valley

2.2 The SEERPIC collaboration model is considered most suitable for its purpose. It is nationally recognised for its longevity, success, unique approach to working and collaborative purchasing of insurance. Other Police Insurance Collaboration Models have mirrored the SEERPIC model which has been recommended by PEPS (Procurement Excellence in the Police Service).

2.3 The model has recently been updated in line with the latest government directive on collaboration to increase efficiency in the Police Service (HMIC 2012) and covers all types of insurances.

### **3. Draft 22A agreement**

3.1 The S22A will replace the current mandate in place for SEERPIC and seeks to formalise the collaborative arrangements between the participating members. As with the current mandate the S22A enables SEERPIC to:

- Undertake all insurance solutions on behalf of the participating members
- Negotiate and agree insurance premiums on behalf of members
- Appoint a lead body to act on behalf of SEERPIC to negotiate insurance policy/premiums. This would not be the same body each time a contract came up for renewal. The lead body would report back to SEERPIC who approve the insurance.

3.2 In practice this means that SEERPIC will be responsible for agreeing all insurance premiums and policies. The premiums will continue to be charged on an individual basis to the members at a rate which is decided by the successful tenderer. As the aim is to achieve best value for the collective, an individual organisation may not always achieve the lowest cost possible.

3.3 The S22A establishes:

- SEERPIC Board (sets strategic objectives, monitors effectiveness and value, instigates or endorses Contracts)
- SEERPIC Insurance Group (Professional risk, finance and insurance resource, deliver contracts and monitor service contracts).
- The roles and responsibilities of the chair and members of each group.
- The roles and responsibilities of members of the consortium
- Administration arrangements
- Voting rights – Majority vote with Chair having casting vote if there is no majority (half of members are required for quorum)

- Risk Management – Members will establish and maintain an appropriate system for the risk management.

#### **4. Financial Implications**

- 4.1 As referred to in para 3.2 each member would still be responsible for their premiums, however, in some cases this may not be the lowest cost obtainable.
- 4.2 Relevant costs and income of the arrangement will be shared according to agreed cost proportions, in which a cost apportionment formula will be based on Net Revenue Budget.
- 4.3 Where there is a lead authority, it cannot charge of management or administrative costs, unless agreed by the SEERPIC Board.

#### **5. Summary**

- 5.1 The Section 22A seeks to replace the current mandate in place for the consortium. It is currently at the draft stage and is being presented to all Police and Crime Commissioners and Constabularies for comments and opinions. As can be seen from the attached draft S22A there are some queries that still require clarifying.
- 5.2 The Draft S22A is being presented to the Business Co Ordination Board to raise awareness among members, enable any views and directions to be taken forward to the finalise S22A.

#### **6. Next Steps**

- 6.1 Comments to be collated from all PCCs.
- 6.2 SEERPIC to consider comments and produce a final S22A agreement.
- 6.3 Final S22A agreement to be presented to BCB on Thursday 12<sup>th</sup> June 2014 for approval.

## **7. Recommendation**

### 7.1 To note:

- The proposal to replace the current mandate with a section 22A agreement
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