



**To:** Business Coordination Board

**From:** Chief Executive and Chief Constable

**Date:** 29 April 2015

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

**1. Purpose**

- 1.1 The purpose of this paper is to provide an update on the South and Eastern Region Police Insurance Consortium (SEERPIC) to the Business Coordination Board (“the Board”).
- 1.2 To make the Board aware that the Police and Crime Commissioner (“the Commissioner”) and the Chief Constable will need to sign the final section 22A Agreement under the Police Act 1996 (as amended) (the “section 22A Agreement”) to become members of SEERPIC and a Decision Notice will need to be signed.

**2. Recommendation**

- 2.1 To note:
  - The latest developments regarding the section 22A Agreement for SEERPIC
  - The final draft section 22A Agreement
  - Next steps
- 2.2 The Board is recommended to approve that the Commissioner’s Director of Finance considers the final section 22A Agreement and provides assurance to the Commissioner and Chief Constable that they should become members and sign the final section 22A Agreement.

2.3 Following the assurance, the Commissioner signs a Decision Notice and both the Commissioner and the Chief Constable sign the final s22A Agreement.

### **3. Background**

3.1 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

3.2 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 Procurement Excellence in the Police Service.

3.3 The model was subsequently 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.

3.4 A section 22A Agreement was drafted to replace the current mandate in place for SEERPIC and formalise the collaborative arrangements between the participating members. As with the current mandate the S22A Agreement 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.

3.5 An earlier draft of the agreement was presented to the Board on 8 May 2014 this draft has subsequently undergone further refinement.

#### **4. Final draft Section 22A Agreement**

4.1 An updated final draft of the section 22A Agreement was circulated to consortium members on 27 March 2015 and which has been considered by the Commissioner's Director of Finance. This had been subject to a full review by the legal advisors to Sussex Police and took into account some of the queries raised by consortium members on the previous version circulated in October 2014. Key changes from the previous draft seen by the Board are as follows:

- general tightening up of terms and consistency of use throughout the agreement;
- updating of termination provisions to make them clearer and more specific;
- clearer wording to describe that the Police and Crime Commissioners and Chief Constables from each force area comprise one member;
- updating of definitions and requirements between full members and observer members;
- updating of provisions for voting;
- clearer wording regarding cost sharing and review.

4.2 The final draft document has also been reviewed by the Commissioner's legal advisors.

#### **5. Financial Implications**

5.1 The financial implications of the section 22A Agreement have not changed from earlier drafts: 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 with 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.

5.2 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.

5.3 Where there is a lead authority, it cannot charge of management or administrative costs, unless agreed by the SEERPIC Board.

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

6.1 The final version of the S22A Agreement is imminent and no substantive changes are expected compared to the final draft agreement. It is proposed that the Commissioner's Director of Finance checks the final agreement and provides assurance

to the Commissioner and Chief Constable that they should become members of SEERPIC.

## 7. Recommendation

7.1 To note:

- The latest developments regarding the section 22A Agreement for SEERPIC
- The final draft section 22A Agreement
- Next steps

7.2 The Board is recommended to approve that the Commissioner's Director of Finance considers the final section 22A Agreement and provides assurance to the Commissioner and Chief Constable that they should become members and sign the final section 22A Agreement.

7.3 Following the assurance, the Commissioner signs a Decision Notice and both the Commissioner and the Chief Constable sign the final s22A Agreement.

## BIBLIOGRAPHY

<b>Source Document</b>	Police Service (HMIC 2012) - <a href="https://www.justiceinspectors.gov.uk/hmic/publication/increasing-efficiency-in-the-police-service/">https://www.justiceinspectors.gov.uk/hmic/publication/increasing-efficiency-in-the-police-service/</a>  Draft S22A Agreement – SEERPIC - <a href="http://www.cambridgeshire-pcc.gov.uk/wp-content/uploads/2014/05/14-05-08-BCB-Agenda-Item-7-SEERPIC-Cover.pdf">http://www.cambridgeshire-pcc.gov.uk/wp-content/uploads/2014/05/14-05-08-BCB-Agenda-Item-7-SEERPIC-Cover.pdf</a>
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