

SHEFFIELD CITY COUNCIL

EXECUTIVE DIRECTOR KEY DECISION RECORD

The following decision was taken on 23 August 2017 by the Executive Director, Resources.

Date notified to all members: Thursday 24 August 2017

The end of the call-in period is 4:00 pm on Wednesday 30 August 2017

Unless called-in, the decision can be implemented from Thursday 31 August 2017

1. **TITLE**

Legal Services for Insurance Claims

2. **DECISION TAKEN**

The Executive Director approves the procurement of Legal Services in respect of insurance claims handling.

3. **Reasons For Decision**

High quality specialist legal services in respect of insurance claims handling is the most effective way for the Council to manage its insurance liabilities.

It contributes significantly to the £22 million of defended claims over the preceding 7 years.

The Council's insurance providers make it a condition of the delegated claims handling authority provided to the Council that appropriate specialist expertise requires their approval. A competitive, specifically targeted tender in terms of relevant expertise satisfies this requirement.

4. **Alternatives Considered And Rejected**

The variety and complexity of the types of claims make it commercially unviable to retain in-house expertise to handle all types of claims for which external legal advice is required. However, where expertise exists and there is capacity we will work with Legal Services to identify claims that can be retained in-house.

The terms of our insurers' delegated claims handling authority requires an agreed framework of providers, and any internal appointments will be subject to the agreement of the Council's insurers and subject to their audit requirements.

The Council's existing external legal framework does not include a specification for insurance claims handling and the award of such contracts was not assessed inclusive of this expertise, and has not been approved by the Council's insurers. Consequently we cannot procure the service via an existing contract.

Litigated claims are unavoidable, so “do nothing” is not an option.

5. **Any Interest Declared or Dispensation Granted**

None

6. **Respective Director Responsible for Implementation**

Executive Director, Resources

7. **Relevant Scrutiny Committee If Decision Called In**

Overview and Scrutiny Management Committee