

| | |
|---|------------------------|
| Committee | Dated: |
| Police Committee – For Information | 15/12/2017 |
| Subject: NICHE – accepted liabilities | Public |
| Report of: Town Clerk's, Comptroller & City Solicitor and Chamberlain | For Information |
| Report author: Oliver Bolton, Mike Braude and Connie Dale | |

Summary

City of London Police commenced the implementation of the CCCI Project in January 2017 which is currently at Gateway 5 stage. The project seeks to implement a single platform computer system (NICHE RMS) to facilitate Crime, Case, Custody, Intelligence and Property recording. The Parties have agreed a cost sharing arrangement for insured liabilities incurred as a result of the collaboration. Due to the differing sizes and nature of the police forces collaborating on this project, they have different levels of insurance excesses but have agreed amongst themselves on a compromise arrangement to cap their respective liabilities. The City of London Corporation has a higher policy excess than the other Parties but due to the low likelihood of any individual claim being made, it is not considered a significant risk to the Corporation.

Recommendation

Members are asked to:

- Note the report.

Main Report

Background

1. City of London Police have entered into a major collaboration with five East Midlands forces to share their ICT platform, but using their own Niche software licence, as opposed to being party to the five-force licence.
2. Due to the differing sizes and nature of the collaborating forces, they have different levels of insurance excesses but have agreed amongst themselves on a compromise arrangement to cap their respective liabilities as set out below.

3. Overall, Comptroller's and Chamberlain's believe that subject to sending the agreement to the City's liability and professional indemnity insurers, that there is nothing that would unreasonably hinder our insurer's rights or extend their obligations outside of normal policy terms and conditions, within the Agreement.

Current Position

4. Following extensive clarification and debate with the other forces, we believe that the principles covered by the terms of Clause 31 are as follows:
 - If a Party is to blame for the liability, then that Party shall be responsible for the liability;
 - If no insurance covers the liability or insurance does not pay out and no Party is to blame, then the Parties will share in the liability in accordance with the All Force Apportionment Ratio; and
 - If the liability is covered by insurance but no individual Party or Parties have caused the liability, then the Parties will share in the liability in accordance with the All Force Apportionment Ratio up to a total aggregate contribution of £250,000.00.
5. Chamberlain's and Comptroller and City Solicitor's are comfortable with the first two principles. The last principle is where there is potentially an additional exposure for the City of London Police that would not otherwise exist in the absence of this collaboration agreement. There are 2 scenarios:
 - a) If a Party receives a claim, which is insured, the other Parties will contribute up to £250k in total towards their policy excess. This means that the City will contribute to another Party's excess but in the absence of any liability attaching to the City, it is unlikely that this contribution will be covered by the City's insurance arrangements; and
 - b) If the City is the Party that receives the claim, the contribution received from the other Parties will be limited to £250k but the City's policy excess is £1m. Whilst this does not expose the City to any greater financial exposure than normal, the existence of the collaboration may mean that the likelihood of a claim being accepted is greater. In the absence of the collaboration and specific proof of negligence against the City, a claim would ordinarily be denied.
6. It should be noted that whilst the above are technically possible exposures, it is difficult to map out a realistic example where this would come into effect.
7. Unfortunately, as the City of London is joining the existing operational collaboration at a late stage, the existing five forces are unwilling to increase their respective risk exposure.

Conclusion

8. The Committee is only invited to note this situation as the likelihood of any such risk being realised is very small.

Appendices

- None

Oliver Bolton

Policy and Projects Officer, Town Clerk's

T: 020 7332 1971

E: oliver.bolton@cityoflondon.gov.uk

Mike Braude

Principle Lawyer, Comptroller and City Solicitor's

T: 020 7332 1267

E: mike.braude@cityoflondon.gov.uk

Connie Dale

Insurance and Risk Manager, Chamberlain's

T: 020 7332 1360

E: connie.dale@cityoflondon.gov.uk