

Report of the Chief Executive

TENANTS CONTENTS INSURANCE SCHEME UPDATE1. Purpose of report

To inform Members of changes in the administration of the contents insurance scheme offered to the Council's housing tenants.

2. Background and detail

The Council has administered a fully delegated tenant's contents insurance (TCI) scheme on behalf of Marsh (the insurance broker) and the RSA Insurance Group ('RSA', the insurer) for many years. The scheme is available to all tenants with variety of cover option available and premiums payable on a weekly basis.

The Council has recently been put on notice regarding a change to the scheme from the next renewal in April 2022. RSA has decided that it will no longer offer a fully delegated scheme due to a significant number of Financial Conduct Authority (FCA) breaches that have occurred as a result of the landlord's administration of TCI schemes. Further information about why the scheme is changing is provided at Appendix 1.

Although the scheme being offered to tenants will not significantly change, officers will no longer be involved in its administration. The Council currently receives an administration fee of 20% of gross written premiums collected, net of Insurance Premium Tax for the fully delegated scheme. As a result of the change the commission earned by the Council will be reduced, although as a gesture of goodwill the commission level is being retained at around 5% from 2022/23.

An equality impact assessment is included at appendix 2

3. Financial Implications

The tenant's contents insurance scheme has previously earned the Council annual commission of up to £10,000, although the net income earned in 2020/21 was around £5,000. This loss of this income to the Housing Revenue Account (HRA), which will be reflected in the budget for 2022/23, will be offset by freeing up officer time in administering the scheme and nominal savings on printing and postage costs at renewal time.

Recommendation

The Committee is asked to NOTE the changes being made to the tenant's contents insurance scheme with effect from 1 April 2022.

Background papers

Nil

TENANTS CONTENTS INSURANCE SCHEME UPDATEBackground

The Council has administered a fully delegated tenant's contents insurance (TCI) scheme on behalf of Marsh (the insurance broker) and the RSA Insurance Group ('RSA', the insurer) for many years.

The scheme was launched and developed to overcome the financial exclusion that some tenants faced, which generally included:

- No bank account
- Lack of required security on properties
- Inability by tenant to fund a policy excess
- High premiums due to high risk areas
- No cover for the building sections that the tenants were responsible for under the tenancy agreements.

The scheme is available to all tenants with variety of cover option available and premiums payable on a weekly basis. Currently, 517 tenants are benefitting from the features that the scheme offers. In addition to being an added value service to the tenants, the scheme is also considered to assist the Council in being identified as a responsible landlord.

Update – Changes to Scheme Administration

In May 2021, the Council was put on notice that the tenant's contents insurance scheme, provided by RSA and managed by Marsh would not be offering a fully delegated scheme from the next renewal in April 2022.

The decision has been taken by RSA due to a significant number of FCA breaches as a result of landlord administered fully delegated schemes.

RSA are not the only insurance provider no longer offering a fully delegated tenant's contents insurance scheme. This change is happening across the insurance industry due to the high risk of FCA breaches and penalties with this type of scheme. These breaches have included (albeit not by this Council):

- Letter attached to the wrong policy schedule, data breach – reportable to the Information Commissioners Office (ICO)
- Renewal letter not sent at all – reportable to Financial Conduct Authority (FCA)
- Wrong renewal letter used which was not compliant – reportable to FCA

RSA did investigate the option of establishing a contract between individual landlords (i.e. the Council) and the insurer but this would in effect make the landlord as broker of the scheme responsible for errors and omissions which could incur under the scheme administration. Therefore, due to the volume and complexity of the contracts involved RSA Insurance have decided they would be unable to negotiate a suitable contract with individual landlords.

Marsh, the brokers, have also advised they would not recommend the option an individual contract, even if this option was available, as it would leave the Council open to FCA fines should a breach occur. The duties placed on the landlord would be onerous and be a cause of significant concern if a mistake were made.

The fact that RSA are no longer offering a fully delegated scheme does not mean that tenants will no longer have the opportunity to access low cost tenant's contents insurance. It simply means that tenants will no longer be able to pay their premiums through their rent account. Instead, tenants will have the opportunity to take out a low cost insurance policy directly with Uris Group, affiliated with Marsh, and this process will be fully managed later in the year.

Uris Group will provide a variety of premium payment options and frequencies. RSA will continue to provide a full claims reports annually at renewal and the Council will be advised of multiple claimants and/or if a tenant cancels a policy.

Timeline to Changeover

The process for managing the change is detailed below:

- Six weeks prior to renewal, the Council will send a notice letter to all tenants (using wording provided by Marsh) that will advise of the changes and that the Uris Group will be contacting them directly about the new options available.
- At the same time, the Council will provide Marsh with a list of all tenants on the tenant's contents insurance scheme including their respective levels of cover.
- Four weeks prior to renewal, the Uris Group will issue renewal letters to all tenants on the current scheme.
- On the renewal date, the Uris Group will provide the Council with a list of tenants who have not renewed so we can contact them to confirm if they have purchased insurance elsewhere as they will no longer be covered through the TCI scheme administered by BBC.
- Two weeks after renewal, the Uris Group will send another letter out to the tenants who have not renewed advising if they do not hear from them the cover will be cancelled.

APPENDIX 2

Equality Impact Assessment

Public bodies are required in to have **due regard** to the need to:

- **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited under the Act
- **advance equality of opportunity** between people who share a protected characteristic and people who do not share it, and
- **foster good relations** between people who share a protected characteristic and people who do not share it.

The Equality Act 2010 replaces the previous anti-discrimination laws with a single Act. It simplifies the law, removing inconsistencies and making it easier for people to understand and comply with it. It also strengthens the law in important ways, to help tackle discrimination and equality. The majority of the Act came into force on 1 October 2010.

The **public sector Equality Duty** came into force on 5 April 2011. The duty ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all. It ensures that public bodies consider the needs of all individuals in their day to day work – in shaping policy, delivering services and in relation to their own employees.

The Equality Duty encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

The new equality duty replaces the three previous public sector equality duties, for race, disability and gender. The new equality duty covers the following **protected characteristics**:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race – this includes ethnic or national origins, colour or nationality
- religion or belief – including lack of belief
- sex
- sexual orientation

It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.

Having **due regard** means consciously thinking about the three aims of the equality duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies, including how they act as employers, how they develop, evaluate and review policies, how they design, deliver and evaluate services, and how they commission and procure from others.

Having due regard to the need to **advance equality of opportunity** involves considering the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics
- meet the needs of people with protected characteristics, and
- encourage people with protected characteristics to participate in public life or in other activities where their participation is low

Fostering good relations involves tackling prejudice and promoting understanding between people who share a protected characteristic and others.

Complying with the equality duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve making use of an exception or the positive action provisions in order to provide a service in a way which is appropriate for people who share a protected characteristic.

The Equality Duty also explicitly recognises that disabled people's needs may be different from those of non-disabled people. Public bodies should therefore **take account of disabled people's impairments** when making decisions about policies or services. This might mean making reasonable adjustments or treating disabled people better than non-disabled people in order to meet their needs.

There is no explicit requirement to refer to the Equality Duty in recording the process of consideration but it is good practice to do so. Keeping a record of how decisions were reached will help public bodies demonstrate that they **considered the aims of the Equality Duty**. Keeping a record of how decisions were reached will help public bodies show how they considered the Equality Duty. Producing an Equality Impact Assessment after a decision has been reached will not achieve compliance with the Equality Duty.

It is recommended that assessments are carried out in respect of new or revised policies and that a copy of the assessment is included as an appendix to the report provided to the decision makers at the relevant Cabinet, Committee or Scrutiny meeting.

Where it is clear from initial consideration that a policy will not have any effect on equality for any of the protected characteristics, no further analysis or action is necessary.

Public bodies should take a proportionate approach when complying with the Equality Duty. In practice, this means giving greater consideration to the Equality Duty where a policy or function has the potential to have a discriminatory effect or impact on equality of opportunity, and less consideration where the potential effect on equality is slight. The Equality Duty requires public bodies to think about people's different needs and how these can be met.

EQUALITY IMPACT ASSESSMENT (EIA)

Directorate:	Housing	Lead officer responsible for EIA	Clare Brooker
Name of the policy or function to be assessed:	Insurance Update		
Names of the officers undertaking the assessment:	Clare Brooker		
Is this a new or an existing policy or function?	New approach for an existing function		
<p>1. What are the aims and objectives of the policy or function?</p> <p>To assist tenants to obtain reasonably priced contents insurance. Previously this could be paid with the rent payment, payments will now need to be made separately.</p>			
<p>2. What outcomes do you want to achieve from the policy or function?</p> <p>To ensure that tenants can still access contents insurance when the changes to the scheme are made.</p>			
<p>3. Who is intended to benefit from the policy or function?</p> <p>All tenants, particularly those that currently have insurance via the Council.</p>			

<p>4. Who are the main stakeholders in relation to the policy or function?</p> <ul style="list-style-type: none"> • Applicants • Tenants • Housing employees
<p>5. What baseline quantitative data do you have about the policy or function relating to the different equality strands?</p> <p>Information held in the housing management system and other records</p>
<p>6. What baseline qualitative data do you have about the policy or function relating to the different equality strands?</p> <p>Information held in the housing management system and other records</p>
<p>7. What has stakeholder consultation, if carried out, revealed about the nature of the impact?</p> <p>None completed. The Council does not have a choice in regards to whether to make these changes.</p>
<p>8. From the evidence available does the policy or function affect or have the potential to affect different equality groups in different ways?</p> <p>In assessing whether the policy or function adversely affects any particular group or presents an opportunity for promoting equality, consider the questions below in relation to each equality group:</p>
<ul style="list-style-type: none"> • Does the policy or function target or exclude a specific equality group or community? Does it affect some equality groups or communities differently? If yes, can this be justified? <p>It primary affects tenants who pay their TCI direct to Broxtowe Borough Council. This can be justified.</p>
<ul style="list-style-type: none"> • Is the policy or function likely to be equally accessed by all equality groups or communities? If no, can this be justified? <p>Only available to tenants of Broxtowe Borough Council. Residents who are not tenants are not affected. This can be justified.</p>
<ul style="list-style-type: none"> • Are there barriers that might make access difficult or stop different equality groups or communities accessing the policy or function? <p>None. Steps have been put in place to ensure that tenants are contacted if they do not respond to communication about this matter.</p>
<ul style="list-style-type: none"> • Could the policy or function promote or contribute to equality and good relations between different groups? If so, how? <p>The change should not contribute positively or negatively in this area.</p>

- **What further evidence is needed to understand the impact on equality?**

None

9. On the basis of the analysis above what actions, if any, will you need to take in respect of each of the equality strands?

Age: Younger tenants, who are more likely to moving into their own home for the first time may need support to understand the importance of contents insurance and their options for arranging it.

Disability: Any requirements for written correspondence will be met, including sending letters and information in large print.

Gender: It is not anticipated that the Council will need to take any further action in order to enable access for this group.

Gender Reassignment: It is not anticipated that the Council will need to take any further action in order to enable access for this group.

Marriage and Civil Partnership: It is not anticipated that the Council will need to take any further action in order to enable access for this group.

Pregnancy and Maternity: It is not anticipated that the Council will need to take any further action in order to enable access for this group.

Race: Any requirement for written correspondence will be met, including sending letters and information in languages other than English if needed.

Religion and Belief: It is not anticipated that the Council will need to take any further action in order to enable access for this group.

Sexual Orientation: It is not anticipated that the Council will need to take any further action in order to enable access for this group.

Head of Service:

I am satisfied with the results of this EIA. I undertake to review and monitor progress against the actions proposed in response to this impact assessment.

Signature of Head of Service: R Shaw