

IN THE FIRST-TIER TRIBUNAL
PROPERTY CHAMBER

CASE REF:
LON/00BE/LDC/2023/0074
All residential leasehold properties
managed by the London Borough of
Southwark

LONDON BOROUGH OF SOUTHWARK

Applicant

and

ALL LEASEHOLDERS

Respondents

WITNESS STATEMENT OF KAREN HAWKINS

I, Karen Hawkins of 160 Tooley Street, London SE1;-

1. I am employed by the London Borough of Southwark ("Southwark") as a Specialist Procurement Advisor within the Procurement Advice Team which provides support, advice and guidance to the Council. I make this statement in support of the current Application. Save where it is hereinafter referred to the facts deposed to are from my own knowledge or from the Applicant's files.
2. Southwark is legally obliged to insure its leasehold properties under the term of the lease.
3. The Southwark Council Leasehold and Ancillary Properties Building Insurance 2023 Project was set up on the council e-procurement portal on 20 September 2022, and the tender

was published on the 4 October 2022 with a submission date of the 18 November 2022.

4. In my experience there are only 4 insurance companies likely to bid during a public sector tender for insurance. These are: Zurich, Avid, Protector and Aspen. I understand Aspen do not insure London local authorities, so that left us with 3 options. We were then informed by Zurich on 25 September 2022 that they were pulling out of the leasehold market, so this left us with just 2 potential bidders.
5. We held a market engagement event with Protector and Avid on 28 September 2022.
6. As part of the procurement process, a full suite of documentation was issued (SQ, ITT) including a social value element via the e-procurement portal – as consistent with the Public Contracts Regulations (PCR) 2015.
7. All clarifications unless marked commercial sensitive were anonymised and answers shared with all bidders – to be open, fair and transparent.
8. The seal on the project was broken by the legal services team on 18 November 2022 and showed no bids received. The reasons given by Protector for not bidding were around concerns with the lack of information on 6 storey blocks. The sums insured for our properties was also of concern. Avid did not confirm why they failed to submit a bid despite requesting an extension to the submission deadline.
9. However, in January 2023 we received word that Avid had lost their underwriters and had given local authorities notice

that they would no longer be providing cover from the 1 April 2023.

10. The insurance team and external broker / consultant then had various conversations over the next couple of months around:

1) discussion with Zurich to extend the existing contract by 1 year to allow for another procurement exercise.

2) to find out the outcome of the recently let Croydon framework and see if we could join.

3) following a failed procurement, to clarify if we have the right to enter into direct negotiations with a supplier.

4) to see if the councils could self-insure.

12. In mid-March, an offer was received via the external broker / consultant from Protector and a Gateway 2 was drafted and approved to start coverage on 1 April 2023 to provide continuity of insurance.

I believe the contents of this statement are true



19 Dec 2023

Karen Hawkins

Date: