

## REPORT TO THE FINANCE, EMPLOYMENT & SERVICES COMMITTEE



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<b>Date</b>	<b>6<sup>th</sup> April 2021</b>
<b>Subject</b>	<b>Insurance Provision</b>

### PURPOSE:

1. To make the Committee aware of the changes that have been made to the Insurance Provision throughout the last year.
2. To notify Members of the increased premium for 2021/22.

### BACKGROUND:

3. A number of changes were made to the insurance provision in 2020/21 that have contributed to the increase in premium.
4. The two loans of £90,000 and £160,000 which were received in June and July respectively, led to a large increase in the overall balances held by the Council. In order to pre-empt this, the fidelity insurance was increased to £2,000,000 on 12<sup>th</sup> May 2020.
5. The resignation of the Primet Hill Community Centre Association meant that the management of the Community Centre was transferred back to the Town Council from 1<sup>st</sup> August 2020. Although we were previously responsible for insuring the building itself, the Association had their own insurance to cover contents and public liability. Consequently, a figure of £10,000 for contents was added to the Council's insurance on 12<sup>th</sup> August 2021, no amendment to Public Liability was necessary.
6. Following the completion of the Playground Development Project, a further 28 items of play equipment were added at a value of £36,090.95 additional surfacing at another £36,090.95, and gates and fencing to the value of £100,000.
7. CCTV Equipment was increased to £85,000 from £54,636.35 to cover the additional investment made throughout the year. A further £5,000 was added to Computer and Office Equipment and the Benches were added at a value of £45,500.
8. The changes in items 6 and 7 above were made on 23<sup>rd</sup> December 2020.

### ADDITIONAL INFORMATION:

9. From 1<sup>st</sup> April 2021, a value of £8,724.75 has been added to cover the Lengthsman's tools and equipment, and a Motor Insurance Policy (effective from 24/03/2021) for the Quad Bike.

10. The Council are in a long term agreement with Zurich until 1<sup>st</sup> April 2023. The underlying rates will remain the same during the agreement, however there is the normal 3% index linking to Buildings Contents and All Risks.

#### **FINANCIAL CONSIDERATIONS:**

11. The Insurance Premium for 2020/21 was £8006.83.
12. The changes made during the year resulted in increases of premium as follows:

	£
b/f	8006.83
12th May	34.93
12th August	63.29
23rd December	1103.05
3% index linking	276.24
Lengthsman's	
Tools	46.15
Quad Bike	358.4
	<u>9888.89</u>

13. The agreed budgeted provision for 2021/22 comes to a total of £8,462, leaving a budget deficit of around £1,500.

#### **RECOMMENDATIONS:**

14. As the decision has been made not to run the Blues Festival this year, the budget of £24,449 (Exp £110,649 less Income £84,200, less £2,000 remaining remuneration for the Artistic Director and the Marketing Agency), is available for reallocation. It is proposed that a proportion of this budget is used to cover the deficit for the Insurance.
15. That a market comparison exercise is undertaken early 2023 to ensure that the Council is paying a competitive premium, before product renewal.

#### **REASONS FOR RECOMMENDATION**

16. To ensure that the Council's insurance provision is commensurate with its operational needs.
17. To allow the Council to maintain a balanced budget for 2021/22.
18. To ensure that the Council is obtaining the best value product for the services it delivers.

#### **SUMMARY OF KEY POINTS:**

19. An increase in service provision and enhanced investment has led to a significant increase in Insurance Premium for 2021/22.
20. The agreed budget for 2021/22 for Insurance, is insufficient to cover the additional cost.

**POLICY IMPLICATIONS:**

21. This is inline with the Value for Money (VFM) approach adopted by the Town Council.

**DETAILS OF CONSULTATION:**

22. Zurich Municipal Insurance

**SUPPORTING PAPERS:**

- Appendix 1 – Insurance Breakdown
- Appendix 2 – Insurance Schedule 2021/22

FURTHER INFORMATION, PLEASE CONTACT: Gina Langley