



CLARE TOWN COUNCIL

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CLARE TOWN COUNCIL
REPORT TO FINANCE COMMITTEE
SUBJECT: PUBLIC LIABILITY INSURANCE
DATE: 9th JUNE 2015
REPORT AUTHOR: Mo Smith, RFO & Paul Bishop, Chair of CTC

Introduction

At the Town Council meeting of 21st May 2015 concerns were raised about the insurance position of the Clare Christmas Lights Committee. The Chair asked for the Finance Committee to undertake a thorough review of the council's public liability insurance and how it currently relates to affected community groups.

The Responsible Finance Office has listed our current assets alongside their relevant insurance cover. (Appendix 1) also attached is the current CTC insurance schedule from Suffolk ACRE Insurance (Appendix 2).

Public Liability and Employer Liability Insurance.

CTC has public liability insurance cover up to £6 million and employee liability insurance cover up to £10 million which is standard for an organisation of this size. Suffolk Acre have suggested that the council increases its public liability cover to £10 million. As part of this review it has become clear that a number of insurance issues need to be addressed by CTC.

Clare in Bloom

Currently Clare in Bloom is covered for public liability as an extension of the Town Council's policy. The additional premium of £25.20 each year is paid for by Clare in Bloom.

Clare in Bloom approached CTC in 2013, advising that they had previously been covered by a specialist policy though the RHS and this was no longer available.

Clare in Bloom suggested CTC be responsible for the 'in bloom' and be responsible for risk assessments and purchasing of the flowers etc. The decision was made that CTC Public Liability policy was extended for an additional premium instead of Clare in Bloom taking out a separate public liability policy.

In 2014 CTC received a request from Clare in Bloom to ask if we could do “the usual” and arrange public liability insurance for them. The Insurance Broker was approached and cover was arranged in the usual way. CTC has always received a 'Risk Assessment' from Clare in Bloom.

Clare Swimming Club

Currently Clare Swimming Club is covered for public liability as an extension of the Town Council Policy. The additional premium of £79.40 each year is paid for by Clare Swimming Club.

Paperwork relating to this extension dates back to 2010.

Clare Swimming Club provides CTC with extensive paperwork for this cover which has to be underwritten. CTC therefore receive copies of the Hire Agreement between SVCS and The Swimming Club, a six page Swimming Pool Procedure and eight page emergency action plan.

A decision regarding Clare Swimming Club is urgent as they requested that CTC arrange their public liability insurance for this summer.

Clare Christmas Lights Committee

The Clare Christmas Lights Switch-On event, which includes the lights and the tree, it appears has been covered on the CTC Public Liability Policy for many years. The previous organising committee has been contacted and confirmed that CTC covered public liability insurance for the event back to 2007. Unlike the other two groups above there was no extra premium paid or charged.

The Christmas Lights Committee supplied CTC with the risk assessments and met with the Clerk every year. The Clerk applied for the road closure approval and informed the insurers of the date etc. The insurers accepted this arrangement as long as there was no use of fireworks. It is understood that fundraising events were covered by the public liability insurance of the venues they were held at e.g. CHOC and the CPFA.

In 2014, which coincided with the formation of a new Christmas Lights Committee, the Switch-On Event was again covered under the Town Council’s public liability insurance. This of course included the lights and the tree.

On 24th April 2015 the Christmas Lights Committee approached CTC to confirm public liability cover for the Summer Fete to be held on 7th June. The insurance broker was contacted on 27th April and chased for a response on the 11th May. The insurance broker’s response was that the event could only be covered if CTC was prepared to take responsibility for the event and oversee the risk assessments and health & safety etc.

As this event was clearly not an event overseen by CTC, further advice was taken and a meeting with the Chair of the Lights Committee was arranged. The insurance broker recommended that the Christmas Lights Committee take out their own stand-alone public liability policy. It was suggested that CTC cover the premium for the Summer Fete as the Lights Committee would not have budgeted for the extra expenditure.

Conclusions

Given the answers that CTC gave to the Insurance Broker it has led to questions about the other groups that we have on our policy and the inclusion of the Switch On event itself.

The broker's view is that

'Any committee or group that are acting under the auspices and direction and control of the town council can be covered by the town council's policy. The council would have to accept responsibility for the actions of these volunteers, as ultimately in the event of an incident occurring it would be the Town Council that would be sued for damages, therefore the council would have to show that they had taken all reasonable steps to prevent a loss from occurring and that they had ensured a risk assessment had been carried out.

A completely autonomous group who have their own constitution, bank account etc, but purely receive some funding from the town council should have their own public liability cover, as the council has no control over their activities and therefore can't really be held liable should an incident occur'.

Given the above CTC will need to enter into a dialogue with all the groups in order to decide the best way forward.

CTC will need to determine that it has the capacity and the skills to hand to meet the requirement to direct and control a group's activities. Further discussion with the Insurers must take place to determine what level of CTC control they require for these events.

The groups themselves will have to decide how autonomous they wish to be.

Recommendations

- That CTC increases its public liability cover to £10 million in light of advice from our brokers.
- That CTC cover the cost of the premium for Clare Christmas Lights Committee to insure the Summer Fete of £43.83.
- Immediate discussions take place with the insurance brokers to make arrangements for proper cover for Clare Swimming Club give the closeness of the summer swimming programme.
- The Town Council after consulting with its staff and the insurance brokers decides what level of support it can provide to meet the 'direct and control' requirement from CTC's insurers.
- Representatives of Clare Christmas Lights Committee, Clare in Bloom and Clare Swimming Club are invited to discuss the best way forward for their organisation.
- A final report after discussion with the council and with the relevant groups is put before the Town Council meeting in July 2015.

END