

IN CONFIDENCE

Bridgend Town Council insurance Renewal 2021-22

During the past month an unexpected and significant situation arose with the renewal of the Bridgend Town Council insurance policies and there is a very real risk that Bridgend Town Council could be **without any insurance cover at all after midnight on Wednesday 15th September.**

This issue is caused by a 3rd party and through no fault of the Council.

Insurance cover for Town and Community Councils is complex due to the nature of public assets owned by Councils, the public services they provide, events they arrange and liability cover required. There are only a few brokers that specialise in this sector.

Historically Bridgend Town Council insurance cover has been arranged via insurance broker WPS Hallam who specialise in the provision of insurance quotes for larger Town Councils.

There is another insurance broker called 'Came and Company' that provide insurance quotes for Town and Community Councils and the two brokers have a gentleman's arrangement not to poach each other's clients and do not provide quotes to Councils who use their competitor. There is a third broker called BHIB who is recommended by the Society of Local Council Clerks (SLCC).

The Town Council's insurance policies (Buildings & Contents, Public Assets, Money Insurance, Business Interruption Insurance, Employer liability, Public liability, Fidelity insurance etc.) are due for renewal on **16th September 2021.**

The renewal is usually a fairly straightforward process and I work with WPS Hallam at least two months in advance of the renewal date to review requirements and provide details of any changes, additions to assets and equipment etc. We started the process for this year's renewal in July, however last week I received an unexpected telephone call from WPS Hallam to explain that the company are unable to provide a quote for renewal at this time.

WPS Hallam have explained that they go out to tender on behalf of Town & Community Councils to find the best insurance policies, cover and supplier at the best cost. For the past three years, Royal Sun Alliance were successful in their tender process and have provided the insurance cover for Bridgend Town Council.

This year, due to the level of claims they have paid out over the past year, Royal Sun Alliance advised the broker that it could not continue to offer competitive cover for Town and Community Councils and would not be able to provide quotes for renewals. WPS Hallam therefore undertook a new tender process to procure an alternative insurance provider for Town and Community Councils with policies due for renewal.

The Military Mutual were successful in the tender process and were due to begin providing quotes. Unfortunately last week The Military Mutual advised WPS Hallam that due to an internal audit they have had to seek additional reinsurance and cannot currently process quotes and are not sure when they will be able to do so. This has not happened to WPS Hallam before and it leaves them and the Councils they serve in a very difficult position.

Obviously Bridgend Town Council cannot be without insurance cover from 16th September onwards. This is an urgent situation and therefore I have pursued a number of options:

- Our current insurers, Royal Sun Alliance have been asked if they would agree to extend the existing policy for one month.

- Specialist brokers 'Came and Co' and BHIB have been asked to seek insurance quotations for Bridgend Town Council.
- Zurich insurance who provide insurance cover for local authorities have been asked to provide a quote.

One Voice Wales have been advised of the situation and are speaking to brokers on behalf of the Town Council.

To date, Royal Sun Alliance are still considering the request and have not been able to respond either way.

I provided all the companies with a range of information such as the BTC Asset register, previous insurance schedule and financial information. They all responded with a range of questions about security, the previous asbestos situation, questions about the Council, number of Councillors, staffing levels, tools used by the Outdoor Team etc. I have been responding to these queries for the past week.

Zurich advise that they need a 3 month lead time for the provision of new quotes due to the complexities of the sector. They understand the difficult situation BTC are in and could provide a quote within one month if needed and would require a site visit.

Came and Company contacted two insurers they usually work with for the Town & Community Council sector, one insurer refused to quote at this time and the other has responded with a conditional quote. Came and Co have now contacted a third company and we are awaiting a response.

BHIB are trying to provide a quote but cannot guarantee it at this point.

I have also since been advised that Mutual companies (such as The Military Mutual) initially proposed by WPS Hallam are different to regular insurance companies and pose more risk to Councils.

Two Extra-ordinary Finance Committee meetings have been held to discuss the situation (please see minutes provided).

Since the Extra-ordinary meeting today (Monday 13th September) one quote has now been received from Hiscocks (please see attached). The Bridgend Town Council Financial Regulations specify that all expenditure over £10,000 must be authorised by Full Council. Historically the annual insurance policy has been below this value and could be authorised by Finance Committee however the new quote exceeds £10,000 therefore must be reviewed and agreed by Full Council.

In January 2021, The Local Government and Elections (Wales) Act 2021 was agreed by Welsh Government. This Act now includes the following provision:

'In exceptional circumstance, a meeting of a committee or sub-committee of the council meeting may be called at shorter notice. In which case, notices should be published with at least 24 hours' notice.'

I have checked with One Voice Wales and due to the exceptional nature of the current situation which risks Bridgend Town Council not having insurance in place from midnight on 15th September, an urgent meeting of full Council can be called with 24 hours notice. Please see agenda attached for an Extra-ordinary Full Council meeting on Tuesday 14th September at 6pm.

PLEASE MAKE EVERY EFFORT TO ATTEND.

Leanne Edwards
Town Clerk