

Insurance Guidance for Town and Parish Councils

With service devolution comes some additional responsibilities and accountabilities which the Town or Parish Council needs to consider – some additional responsibilities may incur additional insurance as they are outside the “normal business” of the Council. Insurers will always deal with requests on a case by case basis and take into account how the service is being delivered and whether the Town or Parish Council can demonstrate a well-managed approach to the service delivery.

Risk assessments

A general risk assessment of the planned services is the starting point for discussions with an insurer. As the planning of the services progresses councils will need to put together more detailed risk assessments and amend, add hazards and identify mitigations according to their own Town or Parish Council arrangements.

It is important that each Town or Parish Council talks to their insurer at the earliest opportunity, to discuss the potential impact on the Town or Parish Council's insurance policies and premiums that may result from taking on a devolved service.

In some cases there may be no increase in premium, especially where the Town or Parish Council can demonstrate adequate management of the risk of the devolved service. The insurer of the Town or Parish Council will be able to offer assistance in how to manage and mitigate the risks involved and how to deliver the service.

Types of Insurance and Limits of Indemnity

To deliver a devolved service, a Town or Parish Council will need to have in place:

- Public Liability Insurance – for third party injury and property damage
- Employer's Liability Insurance – for injury and property damage to employees

Where a Town or Parish Council already employs staff, this insurance should already be in place but devolved services may require enhanced insurance cover if other people are directly employed by the Town or Parish Council, e.g. volunteers. The Town or Parish Council **must** tell their insurer if they are using volunteers to ensure that cover is in place.

The formal agreement with West Berkshire Council will specify the minimum indemnity levels that the Council will require to be in place. The insurance requirement will be assessed on a contract by contract basis to ensure that potential risks are considered and an appropriate limit of indemnity set.

In all cases West Berkshire Council will need to see evidence of the current insurance cover to confirm it is appropriate to the service being provided.

Points for consideration

- Working with contractors

A Town or Parish Council should check that a contractor's insurance will cover the contractor's own liabilities. During the tendering process all contractors must demonstrate that they have the appropriate cover for the work they will undertake; you should see and retain a copy of their insurance details. The contractor's insurance should be at the same levels as stipulated for the Town or Parish Council.

- Working with volunteers

A volunteer will usually be insured by the organisation they are volunteering for. If you are planning to deliver services with volunteers, the Newbury Volunteer Bureau will be able to offer assistance in defining the role of the volunteer and good volunteer management.

- Clustering

It may be beneficial to Town or Parish Councils to work in clusters and potentially obtain shared insurance policies. This may produce reduced premiums for the Councils concerned but the insurer will take into account the overall level of risk presented and the level of management of the risk.

N.B. This document is intended as guidance only. Town and Parish Councils are strongly recommended to discuss their individual requirements with their insurer at the earliest opportunity.

Guidance from the Health & Safety Executive (HSE) on Employers' Liability (Compulsory Insurance) Act 1969 can be found on their website: www.hse.gov.uk