

To receive the Town Council main insurance policy renewal and consider any actions and associated expenditure.

Report to: Full Town Council

Date of Report: 23 September 2025

Officer Writing the Report: Finance Officer

Pursuant to: Policy and Finance, 23 September 2025, minute number 212/25/26

Officers Recommendations

Members are asked to consider the quotation received from Company A and approve a 3 Year Term at an annual premium of £17,191.14 (including premium tax and VAT) subject to annual increases listed in the policy schedule. This will ensure the Town Council is protected against any significant premium increases in the next 3 years.

To allocate to budget 6205 PF Insurance and recommending a virement of £6,000 from General Reserves for the shortfall.

Report Summary

The general insurance policy is due for renewal on 10 October 2025. The council previously entered into a three-year agreement with Zurich Insurance, which fixed the premiums unless the sums insured increased. This arrangement protected the council from significant premium rises. The premium for 2024/25 was £11,668.94.

The Town Clerk informed Members prior to setting last year's budget that it was very likely the renewal cost will be significantly higher due to general insurance policies for town councils facing rising claims costs, inflation in construction and repair expenses, and broader financial pressures on local authorities, including higher employer National Insurance contributions and increased demand for services.

In accordance with the Council's Financial Regulations, for contracts exceeding £3,000 (excluding VAT), the Council is required to seek a minimum of three fixed-price quotations. Quotations were invited from four competitive insurance providers, but only one quotation was received within the requested timeframe.

It is understood that the limited response is due to the high-risk nature of insuring Town Councils, competitive insurance market and combined with the significant work involved in preparing tailored quotations.

Members are asked to consider the quotation received and assess available options to ensure continued insurance coverage at a competitive rate.

Quotes Provided

Company A – Appendix A

| Term | Policy Amount |
|---|--|
| 1 Year Term | £18,778.34 including premium tax £1,904.33 and VAT £167.43 |
| 3 Year Term Per Year * | £17,191.14 including premium tax and VAT |
| * Increase to annual premium subject to index-linked sums assured, if levels of indemnity increase, poor claims history | |

Company B

Not able to offer the level of insurance cover the Town Council requires

Company C

Not able to provide a quotation within the time scale

Company D

Not able to provide a quotation within the time scale

Budgets

Budget Codes: 6205 PF Insurance

Budget Availability: £19,014

Committed Spend (Estimated): £7,660 (see below for details)

- Pontoon Insurance 2024/25 £2,769
- Cyber Insurance 2024/25 £1,435
- Motor Insurance 2024/25 £2,457
- **Total £6,661** Estimate 15% increase for 2026/27 therefore committed cost **£7,660**

Budget Available After Committed Spend: £11,354

Should Company A be approved for the insurance renewal, the Town Council will face a budget shortfall due to the increased premium costs being higher than anticipated:

- A one-year policy would result in a shortfall of £7,424
- A three-year agreement (based on the annual premium) would result in a shortfall of £5,837

As there is no surplus available within the existing Policy and Finance budgets, it is recommended that the Council considers a virement from General Reserves to cover the shortfall and ensure adequate insurance coverage is maintained.

Signature of Officer:

Finance Officer