

## **Insurance consultation**

Consultation was sought on insurance levels for the two lots. After discussions with the Councils Insurance Manager, insurance levels were set at five Million for lot 1 and two Million for lot 2. These levels were proposed to the interested organisations. 30 organisations returned advising they were able to meet this requirement however two advised they were not and one went into further detail. Advising *“We are only wanting to work with a couple of local schools on the following basis - allowing one group to use our premises for fitness training for an hour per week. The other activity is a CrossFit group for girls for 8 weeks, providing one of our freelance coaches to work on the school premises once a week. Whilst we would like to do more, we don't have coaching capacity or studio availability to increase this, meaning that our income from youth activities will be capped at less than £1,000 per school year.*

*There are a few issues with your proposal.*

*- If we need to increase our PLI to £5m it will cost another £700-£1000 per year. This means that we would make a loss based on planned activity, effectively excluding us from working for schools.*

*- Our current ELI and PLI covers full time employees only - the pilot we are working on is with one of our freelance coaches. They are not covered under our insurance if they are not employees.*

*- Most SMEs employ freelance coaches, especially for youth training as activity only happens during term times. Freelance coaches are covered under their own insurance - this is typically £1m for each category that costs c. £90 per year. If you increase the amount required for both, their costs will triple. This is ok if they are doing high volume, regular school work but not for ad hoc pilots or low volume activity - this isn't the case for our work as noted above. Our freelancers will expect us to pay for the increase - again making the activity loss making once more.*

*This move may mean that we pull out of any schools provision as we won't even breakeven. Whilst your model rewards larger providers, sadly it will exclude many small local businesses who could be involved and make a difference.*

After reviewing the above feedback and further discussions with the Insurance Manager and commissioning it was decided that the risk of a claim on insurance was less of a risk than the removal of benefits to young people should the services be unavailable. The decision was made to reduce the Public Liability insurance down to two million for both lots to ensure SME accessibility.