

Emergency Committee

**Wednesday 30 September 2020 at 13:15
at Sandwell Council House, Oldbury**

Present: Councillor Ali (Chair), Crompton and Shaeen.

Officers: David Stevens (Chief Executive), Lesley Hagger (Executive Director of Children's Services), Rebecca Maher (Head of Finance & Acting Section 151 Officer), Elaine Newsome (Service Manager – Democracy), Narinder Phagura (Business Partner- Audit, Fraud, Risk and Insurance), Suky Suthi-Nagra (Democratic Services Manager) and Surjit Tour (Director of Law and Governance).

65/20 **Apologies for Absence**

Apologies were received from Councillors Millard and Moore.

66/20 **Declarations of Interest**

No interests were declared at this point in the meeting.

67/20 **Additional Item of Business**

There were no additional items of business to consider.



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68/20 **Exclusion of the Public and Press**

Agreed that the public and press are excluded from the meeting to prevent the disclosure of exempt information under Schedule 12A of the Local Government Act 1972 relating to the financial and business affairs of any person, including the authority holding that information.

69/20 **Sandwell Children's Trust Limited -Insurance Arrangements**

Approval was sought to provide indemnity to the Directors and Officers (D&O) of Sandwell Children's Trust (SCT) effective from 1 October 2020, to enable them to continue to discharge their responsibilities in the provision of children's social care upon the expiry of the current indemnity insurance on 30 September 2020, which was provided through external insurance.

The D&O cover provided the directors and officers protection from the risk of having claims made against them directly and personally for any alleged 'wrongful acts' such as breach of duty, neglect, error and breach of trust. The policy provided cover to directors to defend themselves against civil proceedings or criminal prosecution in these instances notwithstanding any vicarious liability arising in relation to the Trust.

Due to market hardening, exacerbated by the covid-19 pandemic, the Council had been advised in recent days that the current insurer was no longer providing such cover and had therefore refused to offer renewal terms.

A number of alternative options had been explored, however in the limited time available, the only viable option was for the Council to provide an indemnity for a time limited period to the Trust until such time suitable, alternative external insurance cover could be arranged. The level of the indemnity would be equivalent to that currently available to the Trust officers through external insurance.

The Committee noted the detail of the risk analysis that had been carried out.

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A letter of assurance in respect of the indemnity would be sent to the Trust to confirm the arrangements, as requested by the Trust.

Agreed

- (1) that the Directors and Officers of Sandwell Children's Trust are provided with an indemnity on the same terms and conditions provided to them under the Directors and Officer's Indemnity Policy that is in place as at 30 September 2020 via external insurance, for 30 days commencing on 12 midnight on 1 October 2020 or if earlier until such time that suitable, alternative external insurance arrangements are secured by Sandwell Children's Trust;
- (2) that, in the event that a suitable alternative insurance policy is not obtained upon 30 days from the expiry of the current Directors and Officer's Indemnity Policy (i.e. 30 October 2020), the Acting S151 Officer is authorised to either:
 - (a) extend the term of the indemnity policy provided under (1) (above) until such time as the alternative policy is made available, subject at all times to a risk assessment of the arrangements in place and the implementation of any required amendments to the terms and conditions of such policy;
 - (b) work in conjunction with the Director - Law and Governance and Monitoring Officer to review suitable alternative arrangements to the adopting of replacement policy;
- (3) that the Acting S151 Officer is authorised, on behalf of the Sandwell Children's Trust, to formally engage the Discovery Clause within the abovementioned Directors and Officer's Indemnity Policy, and enter into an extended discovery period of up to 36 months for the policy that is currently in place;

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- (4) that the Director - Law and Governance and Monitoring Officer is authorised to prepare, enter into and/or execute (under seal if required) any agreements, documentation and/or policies as are necessary to give effect to (1), (2) and (3) above.

(During consideration of the matter, it became apparent that Councillor Crompton had an interest. At that point, she left the meeting and did not take any further part in the discussion.)

Meeting ended at 14:02