**Report to Faversham Town Council Meeting 11th April 2023**

**Building Reinstatement Assessment for Insurance Purposes**

Background

Faversham Town Council’s three year ‘lock in’ agreement with Zurich Insurance is in its second year. Last year’s premium was £4638.11 and 2023/24 premium will be £5041.03, an 8.7% increase.

This premium includes a 20% index linked increase to the valuation of contents and buildings.

It has been recommended by Zurich that the Town Council should consider a revaluation of its buildings and civic regalia. This is due to the recent exponential increase in materials and labour costs.

Considerations

The last reinstatement valuations for 12 Market Place and the Guildhall were undertaken in December 2018 and the buildings are currently insured as follows:

Guildhall - £1.5m

12 Market Place - £1.3m

There is no record when the civic regalia was last valued for insurance purposes.

There may be a risk, in the event of an insurance claim, that the buildings are under-insured, if the 20% increase is not sufficient. Equally, we may find that figure is adequate. It should be noted that in previous years Zurich has limited their index linked increases to 3-4%.

An increase in the valuation will lead to a higher premium, but I am told that equally we will receive a reduction if the increase is less.

The previous cost of the revaluations in 2018 was £2,000, there is no item in the 2023/24 budget.

It is a matter of opinion whether the revaluation of the civic regalia would present any benefit.

Recommendations

Members are asked to give their opinion as to whether quotations for the revaluation of the building and/or civic regalia be sought.

Louise Bareham
Town Clerk