



Ampfield House
Ampfield
Nr. Romsey
Hampshire
SO51 9PA

Tel: 01794 368717

Fax: 01794 368978

Email: admin@trees.org.uk

Web: www.trees.org.uk

The Rt. Hon. Andrew Smith MP
Department for Work and Pensions
Room 540 The Adelphi
1-11 John Adam Street
London
WC2N 6HT

Our Ref.: NE/C2/Insurance

Your Ref.:

29th August 2003

Dear Sir

EMPLOYERS' LIABILITY INSURANCE FOR ARBORICULTURAL AND FORESTRY OPERATIONS

Although the United Kingdom has more than doubled its tree cover over the last 100 years, it remains one of the least treed countries in Europe.

Trees can bring huge benefits to the quality of life and the economy. Last year the (then) Forestry Minister Elliot Morley issued an excellent statement to the United Nations on behalf of the UK: *"We can all agree on the contribution that forests can make to wider global issues of economic development, poverty eradication, environmental degradation and sustainable livelihoods. But raising the profile on international, political and policy agendas is of little value if we cannot deliver on the actions that we agree are needed"*. Recent Government initiatives such as the Commission for Architecture and the Built Environment and CAGE Space are raising the standard of urban living by encouraging better maintenance of trees and green spaces as well as the creation of more.

These welcome initiatives are now under serious threat. We want to make them work but need your help.

This letter is a joint initiative from eight business and professional membership organisations (see end) who together represent tens of thousands of professionals and workers. These people run businesses as woodland owners, managers and contractors undertaking tree planting, pruning, maintenance and felling operations, tree health and safety inspections, making management decisions and making dangerous trees safe.

1. The problem:

- 1.1. Over the past few months the premiums these people have to pay for liability insurance have risen astronomically: a 500% increase in the premium for certain types of insurance is not unheard of.

- 1.2. Over the past year the number of insurance companies and brokers offering insurance schemes to our industry has reduced to two. Even more worrying is that one of the insurers is not taking on any new business and the other (responsible for the majority of policy holders) has indicated that they may not wish to continue to offer insurance to our industry.

Liability insurance has become difficult and expensive to obtain and for various reasons increased costs are not easily passed on. Worse, liability insurance may become impossible to obtain in the near future.

2. The Consequences:

- 2.1. Many legitimate businesses may no longer be able to obtain insurance and will therefore cease to trade.
- 2.2. The employment issues this will create will be acutely felt, particularly the loss of highly trained skilled operatives in rural areas, with significant impact on rural environmental sustainability where the forestry industry is already struggling to compete against cheap imports.
- 2.3. The number of businesses operating illegally without insurance is likely to increase, putting workers (and possibly consumers) at great risk and promulgating the 'black market' culture.
- 2.4. Those with 'duty of care' responsibilities for the management of trees may not be able to meet their obligations or the targets set for them.

A website explains the problems the industry is experiencing in more detail and what the various trade and professional bodies are doing to help the industry and the nation's tree heritage; further details are available on <http://www.trees.org.uk/insurance.htm>

3. What we hope the Government will do:

- 3.1. We invite you to the Arboricultural Association's Conference to address members of the organisations represented at the 'Insurance Open Forum', Wednesday 17th September 2003, 16.15 hrs, University College of Northampton, brochure enclosed. We will welcome a joined-up response from the government departments most closely associated with the issue and our industry, particularly, but not exclusively DWP, ODPM and DEFRA. Jointly we urge you to take this opportunity to address and listen to the views of those working in the industry. We understand it is government's intention that DWP should work with trade and professional bodies on this issue although we are already disappointed that an invitation to DWP to attend our Joint Industry Meeting in July was not taken up.
- 3.2. Given that claim settlements appear to be being awarded as if Employers' Liability insurance was a workers' compensation scheme where the proof of employer negligence is not necessary and compensation is a right; insist that those determining settlement amounts ensure employees benefit from employer negligence, but must make their own provision for their own negligence.
- 3.3. In spite of 3.2 above the costs involved in the establishment of negligence account for around 40% of settlement amounts; therefore consider amending the adversarial manner in which negligence is established in favour of some means of arbitration (perhaps akin to the Woolf reforms and the introduction of the Single Joint Expert).

3.4. Immediately remove insurance premium tax from arboriculture and forestry insurance schemes.

We do not intend the above suggestions to limit other government initiatives. What we must stress, however, is the urgency of the situation.

This is a national issue and our members are spread throughout the UK and Ireland. We wait in anticipation of your helpful response.

Yours sincerely, and on behalf of eight industry representative bodies



Nick Eden
Director

Copies to:

- Shadow Secretary of State for Work and Pensions:
David Willetts Esq. MP, 19 South Street, Havant, Hampshire. PO9 1BU
- The Deputy Prime Minister
Rt. Hon John Prescott MP, ODPM, 26 Whitehall, London. SW1A 2WH
- Secretary of State for Environment, Food & Rural Affairs
Rt Hon Margaret Beckett MP, DEFRA, Nobel House, 17 Smith Square, London, SW1P 3JR
- Parliamentary Under-Secretary of State, DEFRA
Benjamin Bradshaw Esq. MP, DEFRA Nobel House, 17 Smith Square, London, SW1P 3JR
- The Scottish Executive First Minister
Jack McConnell MSP, St. Andrew's House, Regent Road, Edinburgh, EH1 3DG
- The National Assembly for Wales First Minister
Rt Hon Rhodri Morgan AM, NAW, Cardiff Bay, Cardiff. CF99 1NA
- Secretary of State for Northern Ireland Office
Paul Murphy MP, Block A, Castle Buildings, Stormont, Belfast. BT4 3SR

This approach to you is supported by the following eight arboriculture and forestry business and professional membership organisations:

Organisation	Number of members represented	Contact	Activity
Arboricultural Association	1,800 (individuals and organisations)	Nick Eden, Director 01794 368717 Arboricultural Association Ampfield House, Romsey, Hants, SO51 9PA, UK	Setting industry and training standards for arboriculture in the UK and maintaining quality assured accreditation schemes for arboricultural contractors, consultants and local government officers
Forest Industries Development Council	Included within other representative bodies	Barrie Hudson 01467 651368 c/o FCA Dalfling, Blairduff, Inverurie, Aberdeenshire AB51 5LA	Spearheading the sustainable development and promotion of an internationally competitive multi-objective forestry industry throughout the UK
Forestry and Timber Association	2,500 (individuals and businesses)	Chris Inglis, Executive Director 0131 538 7111 5 Dublin St Lane South Edinburgh EH1 3PX	Representing forest industry operators, including woodland owners, forest managers and contractors, forest nurseries and suppliers of goods and equipment
Forestry Contracting Association	1,300 individual and company members (approx 6,000 workers)	Barrie Hudson 01467 651368 FCA Dalfling, Blairduff, Inverurie, Aberdeenshire AB51 5LA	Representing forestry and arboricultural contractors. Provision of training and business development
International Society of Arboriculture (UK & Ireland)	600 members	Glenn Gorner 0121 556 8302 148 Hydes Road Wednesbury West Midlands WS10 0DR	Formed in 1992 to represent the UK based professional arborist and to promote an international platform for the advancement of the science of arboriculture
Institute of Chartered Foresters	1,100	Margaret Dick, OBE Executive Director 0131 225 2705 7A St Colme Street Edinburgh EH3 6AA	Regulated by Royal Charter to promote excellence and uphold Code of Ethics and Rules of Professional Conduct in the sustainable management of trees and woodlands
Tree Care Industry Association	250 member businesses (approx 2,500 employees)	Chris Frankland Chairman (UK) 0161 941 5410 chrisfrankland@onetel.net.uk	Representing tree care businesses
UK Forest Products Association	94 companies (approx 8,500 employees)	David Sulman, Executive Director 01786 449029 dsulman@ukfpa.co.uk	Representing the technical and commercial interests of the UK forest products industry