

Scottish councils pay out £33m in damages

Posted by ErnHW Ltd - 26 Dec 2012 10:18

Courtesy Herald

Helen McArdle

News Reporter.

A Clackmannanshire woman claimed £40 after grasscutters damaged her gnomes and, in East Dunbartonshire, a dog owner pursued the council for £57 after a pet's paws became covered in tar.

The cases were revealed in the findings of a Freedom of Information request submitted by the Scottish Conservatives.

However, with some councils failing to respond – and many cases from the last year still waiting to be resolved – the true figure is likely to be higher.

Contextual targeting label: Local government

Falkirk Council topped the list of claims, paying out £6.7m, closely followed by Fife council on £5.2m and Edinburgh on £3.2m.

The majority of claims involved vehicle accidents, trips on pavements and potholes, and problems with council housing.

Other instances included a minibus being blown by the wind into a vehicle, costing £2000, and a payout of £22,000 when a vessel was damaged by a pier, both in Argyll and Bute.

In East Ayrshire an individual who fell through a bus shelter with a missing pane of glass was given £250, and council workers who struck an expensive vehicle ended up costing East Dunbartonshire Council £70,000.

When overhanging branches in Edinburgh hauled a cyclist off their bike they were given £4000, and in the same city a man who hit his head on a low ceiling was handed £2000.

Around £31,000 was awarded to commuter in East Ayrshire when a bus went too fast over a speedbump, and Midlothian Council had to pay £19,000 to someone who slipped on mud.

Scottish Conservative local government spokeswoman Margaret Mitchell MSP said: "There are a range of examples here, from the very serious to the utterly ridiculous. It is right when someone is injured, has their property damaged or is inconvenienced through no fault of their own, councils should pay up quickly and efficiently.

"However, the sheer amount of cash involved here points to the compensation culture in which we live spiralling out of control.

"Councils must be given the appropriate legal support when people make spurious claims."

Cosla president Councillor David O'Neill said: "The Conservative Party have chosen to have Scotland's councils in their sights over the festive period.

"They should perhaps remember councils are made up of all political parties and as they returned an increased number of councillors in the May elections they are having a pop at themselves to a large extent.

"The bottom line is there is far more of a compensation culture now and people are often actively encouraged to pursue claims through no-win no-fee lawyers.

"However, that said, councils only pay compensation when they have been instructed to legally – they do not pay it willy nilly and to suggest otherwise is both wrong and misleading."

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Re: Scottish councils pay out £33m in damages

Posted by Sax - 27 Dec 2012 15:47

Oh dear poor David seems to be having rant over nothing, from what I have read Ms Mitchell is stating

the obvious, the culture is getting out of control and spurious claims ought to be fought, instead of just being given into as more often than not it is cheaper to settle than go to court and win.

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Re: Scottish councils pay out £33m in damages

Posted by Gordon McCaskill - 28 Dec 2012 08:06

Actually, the Conservatives are not having a pop at themselves. Councils, by and large, try to avoid going to Court because it costs a lot more than paying out on a claim or so they think. In point of fact, if Councils made it abundantly clear that they would challenge every single claim for compensation it is the lawyers who would back off because they would never be out of Court and the Courts themselves would grind to a halt.

You may have noticed lawyers already protesting outside the Courts over legal aid payments. At some point they will come to the negotiating table as would happen if the scenario in paragraph one was followed.

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Re: Scottish councils pay out £33m in damages

Posted by Tom - 28 Dec 2012 17:14

The claims culture has come about due to insurance companies running a business and not standing up for the morality issues, and to a certain degree who could blame them up until now.

Councils do not insure themselves, many will act as brokers but they are insured by underwriters who make all of the decisions, as they will ultimately have to make any payouts.

Council vehicles are insured through vehicle underwriters and the annual policy premium dependent on the number of vehicles is between 750,000 and £1 million per year.

Then there is Public Liability Insurance (PLI) for everything else like slips, trips and falls. Once again through underwriters who take the annual premium and have to pay out if a claim is made and is successful.

Then there is council house contents insurance which ERC have appointed Aviva as their underwriters.

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Re: Scottish councils pay out £33m in damages

Posted by Tom - 28 Dec 2012 17:22

Anyone making a claim for a vehicle accident can do so up to and including three years from the date of the incident.

Any other incident involving injuries can take 18 months - 4 years to be settled.

When a claim is intimated the underwriters look at the worst case scenario and mark a reserve against it, ie. in the event the claim is successful what is the maximum they would need to pay out.

Say they thought £13,000 then they would take £13,000 out of the account and put it into the reserve account and that cash would remain there until the case was settled.

This must be done, or if lots of claims came in at one time they could go bankrupt.

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Re: Scottish councils pay out £33m in damages

Posted by Tom - 28 Dec 2012 17:29

There are many many spurious and obviously nonsense claims being made daily, the underwriters know it and so do the solicitors. However it is cheaper to settle in many cases than it would be to go to court and win.

Claims of this nature are heard at the Court of Session and require a Queens Council (QC) and they cost in the region of £1,000 per hour. A case could cost you £10,000 to defend and win, at the cost of £10,000, so in our £13,000 case you save £3,000.

However if the Underwriters offered the claimant £3,000 the solicitor may advice his/her client to accept. Therefore the underwriters have saved £10,000, by paying out and not going to court to win.

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