

Agenda Item No 9

Report to: **Schools Forum**

Date: **20th November 2020**

Title of Report: **Schools' Insurance**

By: **Rawdon Phillips: Orbis Insurance Manager (Fund and Policy)**

Purpose of Report: **To inform schools of insurance cover options.**

Recommendations:

- **School Forum members are asked to:**
 - **agree that de-delegation for insurance is not pursued at this time; and**
 - **note that it is recommended that schools do not opt to join the RPA scheme but retain existing insurance arrangements via the ESCC insurance scheme for 2021/22.**
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1. Introduction – The RPA and de-delegation.

1.1 The DfE's Risk Protection Arrangement (RPA) is an alternative insurance scheme for schools. The scheme was originally introduced exclusively for academy schools, but this has been extended and is now being offered to all Local Authority maintained schools.

1.2 Schools are now able to agree to request entry to the RPA to be treated as a de-delegated item, and a decision to join the RPA scheme could be made for all schools collectively via Schools Forum. However, it is our recommendation that de-delegation is not pursued at this time due to the range of issues highlighted in this report as well as the recommendation to remain in the corporate insurance arrangements. It is also proposed to add this to the list of de-delegation items to be discussed next September, for 2022/23.

2. The RPA scheme or ESCC Insurance scheme– relevant issues

2.1 Schools Forum can now choose to de-delegate insurance, and while some schools could benefit in the short term from moving across to RPA, we do not believe a wholesale move to RPA would be beneficial for all maintained schools at this stage. Taking into account the following considerations, it is recommended that schools do not de-delegate insurance for 2021/22 and also recommended that individual schools stay with the existing LA insurance arrangements.

2.2 The RPA is not comprehensive and would require further insurance in many cases. For example, it does not include Motor insurance (school minibuses etc) or Engineering insurance and Inspection (relating to boilers, lifts, lifting equipment etc). (The insurances that are included in the RPA are otherwise broadly comparable to the insurances provided via the existing ESCC Corporate insurance scheme.)

2.3 The RPA is charged on a simple 'per pupil' rate, which can vary from year to year. The rate for 2021/ 22 is £18pp for all schools, but it has been as high as £24pp. The DfE has said that it will review the RPA per pupil rate on a regular basis, initially every 2 years. They have made no guarantee to maintain the existing rate beyond the initial 2 years, which expires in April 2022.

2.4 Claims / advice service: Any schools that opt for the RPA will no longer benefit from the full local advice / claims service provided by the council's specialist, expert Insurance team, who have a wealth of expertise, experience and local knowledge. The advice / claims service associated with the RPA is remote and provided via a national call Centre.

2.5 Capacity: The RPA currently holds approx. 7% of the total national schools' market. It is questionable if the RPA and its service contractors could scale up the service to meet the increased demand if a large number of schools joined the scheme.

2.6 Risk Management: The RPA have confirmed that any risk improvement requirements will be advisory only, and not supported by potential financial sanctions for non-compliance. In the difficult financial landscape, this means that nationally some schools may opt not to complete risk improvements. This will increase risk for schools, increase claim incidents and ultimately put an upward pressure on the per pupil rate for all schools.

2.7 Covid: The Covid 19 pandemic will have long term implications, both for the commercial insurance market and for Government finances. There is currently no indication that the DfE will withdraw the RPA at any time in the future, but clearly Government finances will be reassessed to meet new priorities.

2.8 Competition and Best Value: The RPA is not subject to any competitive tendering requirements and therefore there is no guarantee that schools who opt in will be receiving the best value for money for the insurance coverage, particularly in the long term.

3. Other considerations

3.1 Where possible, the council will attempt to remain competitive with RPA in terms of insurance premium charged / per pupil rate, so that ESCC schools can continue to benefit from the comprehensive, local expert insurance service at a reasonable cost. At the Insurance tender in 2020, ESCC achieved substantial premium savings which have been passed onto schools for 2020/21. This equated to a 16% saving for schools from the previous year.

3.2 ESCC has recently entered a 5-year, Long Term Agreement with new insurers which will provide long term stability in terms of both premium levels and available cover.

3.3 Safer schools: ESCC will shortly launch the 'Safer schools' app. This app relates to digital / cyber / online safety and security. Details of the app will be distributed to schools separately. Feedback from safeguarding professionals indicate that the app is an extremely useful tool. Schools have the choice to opt for the app if they wish. The app is free, and is an exclusive offer to Zurich Municipal customers, not available to those who opt for the RPA.

3.4 Flexibility: The RPA have not provided details of how schools can opt back out of the RPA. However, it is not the intention that schools will be able to opt in and out of the RPA on an annual basis and therefore once a school has opted for the RPA there is a DfE expectation that it will remain within the scheme.

4. Recommendations

4.1 While the simplicity and potential financial benefits of the RPA are attractive, these cannot be guaranteed in the medium to long term. There are also significant uncertainty over the RPA's sustainability and the DfE's long term commitment to the RPA in a post Covid world, and there are concerns over the RPA's ability to service the potential increase in volume of claims / advice requests should there be an increase in Local Authority maintained schools.

4.2 The claims / advice service offered by the RPA will not be as comprehensive as the existing service provided by the ESCC Insurance team. Separate insurances for Motor and Engineering would also still be required if schools join the RPA scheme. ESCC will also endeavor to remain competitive with the RPA in terms of premium charge / per pupil rate in future, and in light of this it is **recommended that Schools Forum:**

- **agree that de-delegation for insurance is not pursued at this time; and**
- **note that it is recommended that ESCC schools remain within the existing ESCC Corporate insurance arrangements and do not opt to join the RPA scheme.**