

SCHOOLS FORUM

Meeting date: 13th March 2020

From: Julie Crellin, Director of Finance (Section 151 Officer)

MAINTAINED SCHOOLS - RISK PROTECTION ARRANGEMENT

1.0 EXECUTIVE SUMMARY

- 1.1 *Insurance services for maintained schools are currently included within the Council's insurance contract with the budget for these services being de-delegated from the DSG.*
- 1.2 *The Department for Education has extended the Risk Protection Arrangement (RPA) currently available to academies to all maintained schools in England.*
- 1.3 *It is not possible to provide a direct comparison between the insurance received through the Council's insurance contract and the DfE's RPA and therefore further work is required to consider the advantages and disadvantages of taking the DfE's RPA or retaining the Council's insurance services.*
- 1.4 *A comprehensive report will be presented to Schools Forum in June 2020 setting out the considerations for schools should the Forum opt to enter into the RPA.*

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

- 2.1 *Cumbria County Council's vision is to be "A Council that works with residents, businesses, communities and other organisations to deliver the best services possible within the available resources".*
- 2.2 *There are no equality implications arising from the recommendations to this report.*

3.0 RECOMMENDATION

- 3.1 *The Schools Forum is asked to:*

- *note that Officers are currently considering the Department for Education's proposals to extend Risk Protection Arrangements to all maintained schools and a full report will be presented to Schools Forum on 10th June 2020.*

4.0 BACKGROUND

- 4.1 On 26th November 2019, Schools Forum approved to de-delegate the budget for insurance services for 2020/21.
- 4.2 The Council's current insurance contract expires on 30th April 2020 and Officers have worked throughout 2019/20 to tender for a new insurance contract for the period May 2020 to April 2023 with the potential to extend the contract for a further 2 years. Following a competitive tendering process, on 30th January 2020, Cabinet approved the award of this contract to Zurich Municipal.
- 4.3 On 21st January, the Department for Education released a report outlining that maintained schools would be able to access the same insurance provision that is available to academies. This Risk Protection Arrangement (RPA) offers a different level of insurance to that which is covered by the Council's insurance policy. A copy of the report is included as Appendix A to this report.
- 4.4 Some perils currently insured through the Council's insurance are not covered by RPA whilst others offer enhanced coverage. Additionally RPA does not offer a comprehensive claims process and the Council's insurance team would not be in a position to support schools through the claims process if schools were to take RPA coverage.
- 4.5 Consequently it is not possible to provide a like-for-like cost comparison between the insurance services provided by schools and RPA.
- 4.6 Officers are currently assessing the advantages and disadvantages to schools of opting for the DfE's RPA option. A comprehensive report will be presented to the Schools Forum on 10th June 2020. This will include full details of minimum coverage that schools are required to take to ensure that Council assets (primarily buildings) are appropriately covered.
- 4.7 Should Schools Forum opt to take RPA, this would be effective from 1st May 2021 - the date of the next insurance premium renewal.

5.0 OPTIONS

- 5.1 This paper is intended to update the Schools Forum on progress with assessing the advantages and disadvantages of taking the DfE's RPA or retaining the Council's insurance services prior to a comprehensive report being presented to the Schools Forum in June setting out alternative options.

6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

- 6.1 Officers are currently assessing the resource and value for money implications of RPA. These will be clarified in a report to be presented to the Schools Forum in June.

7.0 CONCLUSION

- 7.1 The DfE has extended the RPA currently offered to academies to all maintained schools. Maintained schools currently de-delegate their budget for insurance services which is procured as part of the Council's main insurance services.
- 7.2 Further work is on-going to review the advantages and disadvantages of RPA for maintained schools and a comprehensive report will be presented to Schools Forum in June 2020.

Julie Crellin
Director of Finance (Section 151 Officer)

13th March 2020

Accompanying Documents:

Appendix A - Department for Education report - Extending the academies risk protection arrangement to local authority maintained schools sector

REPORT AUTHOR

Contact:
Pete George
Group Finance Manager - Pensions, Investments & Insurance
Email: peter.george@cumbria.gov.uk
Telephone: 07917 244545