

# Agenda Item 13

**TITLE** Insurance for Maintained Schools

**FOR CONSIDERATION BY** Schools Forum on 14 October 2020

**WARD** None Specific;

**LEAD OFFICER** Director, Children's Services - Carol Cammiss

## **OUTCOME / BENEFITS TO THE COMMUNITY**

This reports forms part of regular reporting to Schools Forum, informing areas of statutory decision making and improving visibility and consultation on wider Dedicated Schools Grant (DSG) financial matters.

## **RECOMMENDATION**

Schools Forum is asked to note and comment on the update from the Insurance Task & Finish Group, and the proposal to removal insurance as a de-delegated item for the 2021/22 financial year.

## **SUMMARY OF REPORT**

## Insurance for Maintained Schools

### 01. Purpose of the Report

To update Schools Forum on the first meeting of the Insurance Task & Finish Group, and proposals for next steps.

### 02. Recommendation

Schools Forum is asked to note and comment on the update from the Insurance Task & Finish Group, and the proposal to removal insurance as a de-delegated item for the 2021/22 financial year.

### 03. Background

In Wokingham, all maintained schools currently obtain their insurance through the Council. It is funded through a combination of de-delegated annual decision making and 'optional' directly purchased elements.

The Department for Education (DfE) announced in early 2020 that the Risk Protection Arrangement (RPA) would now be extended from academies, to also give maintained schools the option to join.

As de-delegated decisions had already been taken for the 2020/21 financial year, a Task & Finish Group was established following discussion at Schools Forum to explore the benefits and risks of maintained schools joining the RPA.

### 04. Current Insurance Arrangements for Maintained Schools

Insurance cover for the following is mandatory and therefore maintained schools must hold this, either by purchasing through the Council or evidencing appropriate other arrangements are in place:

- public liability
- employers' liability
- officials' indemnity
- governors' liability
- fidelity guarantee
- the buildings of the school

The Council also currently offers optional additional cover for a number of other areas of cover.

All maintained schools currently purchase their mandatory and key insurance through the Council.

The Council contracts for insurance cover across a full range of services and settings. There is no separate schools' contract; schools are included in the overall Council arrangement.

The current contract runs until June 2023 and was tendered on the basis that 40-50 schools would be included.

Current funding arrangements for schools have run for a number of years and are split in two ways:

- Annual de-delegated decision
- 'Purchased' directly from the insurance team

While de-delegated allocation uses number on roll, the overall insurance cost is not necessarily proportional to the size of the school, in part due to the split funding process currently in place.

## 05. Risk Protection Arrangement

While the RPA was originally launched to offer an insurance route for Academies, it has now been extended to maintained schools with the DfE publishing this as '*...an alternative to commercial insurance, which may save time and money*'.

While not all insurance offered by the Council is covered by the RPA, all mandatory insurance categories are, along with the most commonly purchased optional extras. Appendix A provides further information.

Cost for the financial year 2020/21 was set at £18 per pupil, per year, with £18 per place, per year for special and alternative provision academies, special schools and pupil referral units.

While costs are subject to annual review, and will therefore be reviewed at the end of 2020 for next financial year, it is likely these will remain comparable to encourage more schools to join.

Further information on the scheme is available on the following link:

<https://www.gov.uk/guidance/the-risk-protection-arrangement-rpa-for-schools#cost>

## 06. Financial Implications

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## 07. Insurance as a De-delegated Item

Council Officers undertook a review of the current funding model as part of preparation for the Task & Finish Group.

Given that insurance is in at least part currently purchased through annual de-delegated decision making in Wokingham for maintained schools, it is recognised

that this becomes a potential obstacle to schools making individual decisions on the RPA.

Insurance as a de-delegated item has run for a number of years, however the view of the Council is that this is not the most appropriate funding method going forward. Few other LAs offer school insurance in this way.

It is therefore proposed to remove insurance as a de-delegated offer from the 2021/22 financial year. In its place the Council will review the overall funding model and offer a revised arrangement to allow schools to purchase required cover directly through the Council's insurance team

08. **Next Steps**

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## Appendix A – RPA Cover

Type of risk	Limit
Material damage	Reinstatement value of the property
Business interruption	£10 million any one loss
Employers' liability	Unlimited
Third party liability	Unlimited
Governors' liability	£10 million any one loss and any one membership year
Professional indemnity	Unlimited
Employee and third party dishonesty	£500,000
Money	Various, including cash on premises or in transit £5,000
Personal accident	Death and capital benefits £100,000
United Kingdom travel	Baggage and money £2,000 per person. Cancellation £1,000 per person
Overseas travel including winter sports	Includes: baggage £2,000 in total per person (inner limits apply), money £750 per person, medical expenses £10,000,000, cancellation £4,000 per person. Check the <a href="#">full details of your cover</a> for more information.
Legal expenses	£100,000 any one loss and any one membership year
Cultural assets	£10,000 on any one cultural asset or £250,000 any one multiple loss

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