

**Nottinghamshire County Council**  
**Canvassing opinion of Local Maintained Schools**  
**Risk Protection Arrangements**

**1.0 Introduction**

On the 1 September 2014 the Department for Education introduced the Risk Protection Arrangement (RPA) scheme for academy trusts. The purpose of the RPA was to provide a less expensive alternative to commercial insurance for academies whereby the UK government covers the losses due to any unforeseen and unexpected events instead of a commercial insurer.

On the 9 September 2019 the Department for Education commenced its consultation for the extension of the RPA to Local Authority Maintained Schools (LAMS). The consultation period expired on the 4 November 2019 and the responses to the consultation and the decision to extend the RPA was issued in January 2020.

The Department for Education subsequently confirmed that the RPA scheme would be extended to LAMS from the 1 April 2020. However, the Department for Education acknowledged within the consultation response, that where a Local Authority has agreed a Long-Term Agreement (LTA) with a commercial insurer then schools may be obliged to wait until it expires before joining the RPA.

Nottinghamshire County Council has a LTA in place with its current insurers which is due to expire in April 2022. Therefore, LAMS will not be able to opt in to RPA until after the LTA has expired.

**2.0 Purpose of this Report**

The Council recognises that following the Department for Education's consultation there may be some interest amongst schools in joining the RPA once the Council's current LTA with its insurers has expired.

To enable any such future decision process on LAMS joining the RPA the Council is taking this opportunity to communicate with all maintained schools to gauge the current level of interest in potentially opting into the RPA, or whether schools would prefer to continue with the current insurance arrangements offered by the Council.

Any future transition of the Council's LAMS to the RPA will result in significant operational changes for both the schools and the Council and therefore schools need to understand both arrangements.

The purpose of this report is therefore to provide further information about the Council's current insurance arrangements and how these compare to the cover provided by the RPA scheme to enable headteachers and the schools' governing bodies to reach an informed view on how they would prefer insurance cover to be provided in the future. Having had an opportunity to review the report and supporting

documents, headteachers will then be asked to indicate their school's preference for how cover is to be provided post April 2022, either through the existing Council's insurance arrangements or by joining the RPA.

### **3.0 Cover**

#### **3.1 Discretionary Mutual**

The RPA is not an insurance scheme and is instead a mechanism through which the cost of risks is covered by government funds. It is a discretionary mutual which means it is not contractually obliged to pay out on claims and therefore any settlement will be at the discretion of the RPA.

#### **3.2 Commercial Insurance Contract**

The Council's insurance arrangements are placed through a commercial insurance contract which means if the policy conditions are met the Council will have contractual certainty that the claim will be paid by the insurer.

The insurance policies are purchased in accordance with the Council's procurement procedure rules through a formal and competitive tender process. The Council's main aim when procuring a commercial insurance policy is to obtain the broadest cover at the most economically advantageous terms available, whilst ensuring the policies are placed with leading insurance providers who have the experience and ability to work in partnership with the Council to react effectively to losses when they arise.

The Council's insurance arrangements are continuously reviewed to ensure consideration is given to any emerging risks and changes in legislation that may arise in between tenders and annual renewals. Schools can therefore be assured that the insurance arrangements in place through the Council are a highly responsive, effective and quality product that will respond and adapt to the requirements of the school over time.

#### **3.3 Comparison of Cover**

The RPA covers most risks that would usually be included in a standard schools' insurance arrangements, however there are some elements of cover that are not offered such as Motor Insurance.

Appendix 1.0 provides a comparison of the summaries of covers offered by both the RPA and the Council. For a more comprehensive comparison please refer to the RPA Membership Rules for LAMS and NCC Platinum Insurance Policy Wording documents accompanying this report.

#### **3.4 Motor Insurance**

The RPA does not provide motor insurance. This means that should LAMS move to the RPA, any schools with a motor risk will have to seek and arrange their own motor insurance. The Council will no longer provide motor insurance to schools upon transfer to the RPA.

Further information about the Council's motor insurance and details of the excesses applying to this policy are detailed in Appendix 2.0. This policy is optional under the Council's arrangements and is made available to schools for a fee of £750 per vehicle irrespective of the type of school vehicle being driven, by whom and for what purpose. It should be noted that the above rate per vehicle has been maintained by the Council since 2016/17.

### **3.5 Temporary and Additional Covers**

Presently if schools require additional or temporary insurance cover, they can contact the Risk and Insurance team for guidance, firstly to ascertain whether the Council's current provision will extend to cover the risk or whether the risk needs to be transferred to a commercial insurer. Should it be determined additional cover is required then the Risk and Insurance team will approach its insurers and brokers to negotiate cover on the school's behalf.

Should schools opt in to the RPA any enquiries about additional cover and assistance in buying insurance will have to be directed to the Crescent Purchasing Consortium (CPC). Under the terms of the RPA Schools will be free to choose a different provider should they wish to; however, it should be noted that the Risk and Insurance team would not be an alternative to this and that such support will cease when LAMS opt in to the RPA.

### **3.6 Policy Terms - Advice and Support**

Should LAMS opt in to the RPA any insurance or policy related enquiries relating to the cover provided under the scheme will have to be referred to the RPA. The Risk and Insurance team will not provide advice, guidance and support on any RPA related matters.

The Risk and Insurance team will however continue to provide advice, guidance and support on any insurance or policy matters that relate to the period of cover the schools had within the Council's arrangements.

Should schools choose to remain within the Council's insurance arrangements then the schools will be able to approach the Risk and Insurance team for advice, guidance and support on any insurance or policy matters as they arise.

## **4.0 Claims Handling**

### **4.1 Topmark Claims Management Ltd**

The RPA claims are handled on behalf of the Department for Education by a third-party contractor, currently Topmark Claims Management Ltd. Schools opting in to the RPA will be expected to liaise directly with the RPA's designated claims handler for any claim relating to their cover with the RPA. The Risk and Insurance team will not provide advice or support on any claim relating to or being dealt with by the RPA.

### **4.2 Local Authority Losses**

Where a Council owns the premises and employs staff at a RPA member school, the member school will be required to use the funds paid out by the RPA to recompense

the Council for any losses the Council has suffered as a result of the operations of the school.

### **4.3 NCC In-House Claims Handling Team**

Claims made under the Council's insurance arrangements are handled by an established in-house team of experienced claims handlers who operate within the Risk and Insurance section of the Council. The claim will be allocated to a dedicated officer who will handle the claim until it is finalised. The handler will work closely with the school providing guidance on the claims process throughout, and where schools have limited budgets, they will be able to support the school by making advanced claim payments.

The Risk and Insurance team's handlers have over the years gained an exceptional knowledge of the county's schools, their locations and the wider operations and procedures of the Council. As the team is based locally within Nottingham, they have a unique insight in to the localised risks and challenges facing Nottinghamshire schools. It also enables the team to provide on-site support to schools, for example to investigate a claim or where a loss adjuster has been appointed, the handler will be able to meet the adjuster on site to discuss and agree any action required to ensure the claim is progressed efficiently. Some of the Risk and Insurance team's specialist partners are also based within the Nottinghamshire area which means they too have a similar local knowledge that can be applied to the handling of the Council's claims.

Should LAMS move to the RPA the Risk and Insurance team will continue to handle, support and guide schools in relation to any claims relating to the period of cover provided by the Council i.e. up to the date the LAMS officially transfer to the RPA. However, the team will not provide advice or guidance on any incidents or claims relating to the period of cover provided by the RPA as schools will be required to direct such enquiries directly to the RPA's nominated contractor.

## **5.0 Risk Management**

### **5.1 Support and Advice**

The RPA offers risk management support and advice upon request provided by Willis Towers Watson, an advisory, broking and solutions company.

Risk management, support and advice through the Council's insurance arrangements is provided by the Risk and Insurance team and is supported by the Council's specialist partners such as our brokers, insurers and our external legal partners.

Through our insurers alone the Council has access to a dedicated Risk and Insurance Consultant who has access to their expert underwriters, claims specialists, and strategic and operational risk specialists. Being able to access such specialism enables the Risk and Insurance team to keep abreast of and understand emerging risks to provide schools with risk improvement advice and solutions.

The Risk and Insurance team will provide risk management support to schools by telephone, email and in addition as the team is based locally in Nottingham the team are also able to provide onsite support to help address any risk management concerns or enquiries schools may have. During the Covid – 19 pandemic when officers have been unable to conduct site visits the team have where possible offered virtual online meetings.

## **5.2 Proactive Risk Management and Additional Benefits**

The Council and its insurer will not only provide support and advice upon request but will also proactively work with schools to identify and highlight areas of risk through claims analysis, risk audits and additional benefits.

For example, the Council's current insurer undertakes periodic risk audits of property assets owned by the Council (including schools) to evaluate how property risks are managed at these sites. Any potential failings or general improvements that are identified during the audit will be highlighted to both the school and the Council to action.

They also provide the Safer Schools App. The app is available for all schools included within the Council's insurance arrangements to download. The app is designed to reinforce and improve current safeguarding practices within schools by providing current, reliable and relevant resources. It provides cost-effective training, continuous professional development for all school staff with the aim of creating a bond of safety amongst pupils, parents and teachers. \*

## **5.3 Risk Management Fund**

The Council also maintains a dedicated Risk Management Fund which is available to all schools who are included within the Council's insurance arrangements. The fund is designed to promote and support risk management initiatives that improve insurable risks such as enhanced property security, fire safety, lead replacement and improvements to health and safety risks. Bids for financial support through the fund are administered and evaluated by the Risk and Insurance team and where a bid is deemed to effectively improve risk, funding (typically up to 50% of the cost of the project) will be approved.

Fig 1.0 below demonstrates the number of bids received by the Risk and Insurance team over the last three years, how many were successful, and the total value paid out from the fund each year. The fund provides a unique opportunity for schools to access funding for projects and initiatives that are intended to improve risk that might not otherwise be available.

**Fig 1.0 Risk Management Bids and Values**

<b>Year</b>	<b>Number of bids received</b>	<b>Total value of funding approved</b>	<b>Number of successful bids</b>
2020/21(to date)	8	£27,392	7 (1 currently under evaluation)
2019/20	16	£69,432	15
2018/19	20	£65,090	17
2017/18	18	£100,683	17

## **6.0 Costs**

### **6.1 RPA Costs**

The cost of joining the RPA is currently £18 per pupil, per year (per place in special schools and Pupil Referral Units) and will be recovered by a deduction at source from the school budget. The Department for Education have confirmed that this amount will remain unchanged until 31 March 2021 however the cost per pupil will increase to £19 for the period 1 April 2021 to 31 March 2022.

### **6.2 NCC Platinum Cover Costs**

Under the Council's insurance arrangements, the cost of the platinum cover varies depending on a school's claim experience. This is to encourage good risk management within schools and so those schools that manage risk more effectively will benefit from a reduced rate. Fig 2.0 below details the different rates and the qualifying claims experience for each rate.

The Council's charge per pupil is not intended to make a profit. The Council's charge includes the cost of external insurance premiums, estimated costs of self-funded claims, contributions to the administration, support and advice provided by the Risk and Insurance team, as well as contributions to the Risk Management Fund.

The pupil rates for 2021/22 have not been calculated at this time however it should be noted that the Council has maintained these same rates per pupil since 2016/17.

**Fig 2.0 Schools Platinum Cover Rates**

<b>Rate</b>	<b>Qualifying Claims Experience</b>	<b>Cost per pupil</b>
Standard Rate	More than 3 claims in 3 years or claims with a total cost of more than £30,000 in the last 3 years	£48.50 per pupil
Low Claim Rate	Up to 3 claims and with a total cost of less than £30,000 in the last 3 years	£46.00 per pupil
No Claim Rate	No claims in the last 3 years	£43.75 per pupil

## **7.0 Leaving the RPA**

Should a school decide to leave the RPA scheme it should be noted that the Council would not be able to accommodate individual schools wishing to re-join its insurance arrangements. In such cases schools will be required to seek and arrange their own insurance provision. Any such insurance arrangements will have to meet and satisfy the requirements of the Council.

\* Please note the benefits listed above are provided by the Council's insurer, should the Council change insurers in the future any benefits offered would also be subject to change.

## Appendix 1.0 Comparison of RPA and NCC Summary of Covers

Type of Risk	Description of Cover	RPA Limit of Indemnity	RPA Excess	NCC (Platinum Cover) Limit of Indemnity	NCC Excess
Material Damage	Loss or damage to buildings and contents.	Reinstatement value of the property	£250 (Primary School) £500 (all other Members) each and every loss other than subsidence (£1000)	Reinstatement value of the property	Nil – (Fire, Lightning, Explosion, Aircraft, Riot, Earthquake, Terrorism) *  £250 – (Storm, Flood, Escape of Water, Accidental Damage, Theft, Malicious Damage, Impact by road vehicle) *  £3000 – (Glass accidental breakage, malicious persons)  *main perils listed but not exhaustive
Business Interruption	Compensation for increase in cost of working resulting from interruption with the business following a material damage loss.	£10,000,000 any one loss	£250 (Primary School) £500 (all other Members)	£25 million any one loss	Nil
Works in Progress	Material damage cover for works in progress including new buildings in the course of erection and alterations and additions to existing buildings.	£250,000 (fixed)  -	Excess as per Material Damage cover detailed above.  -	£1,000,000 any one contract	Excess as per Material Damage cover detailed above.
Employers Liability	Claims for compensation for the death, injury or disease sustained by Employees arising out of and in the course of their employment	Unlimited	Nil	£60 million	Nil
Third party Liability	Claims for compensation for third-party bodily injury (death, injury or disease) and third-party property damage.	Unlimited	Nil	£60 million	Nil
Governors' Liability	Governors' liability expense.	£10,000,000 any one loss and any one membership year	Nil	£10 million any one loss	Nil
Professional Indemnity	Actual or alleged breach of professional duty	Unlimited	£1,000 each and every loss	£10 million any one loss for breach of professional duty whilst delivering statutory services.  £5 million any one loss, for breach of professional duty for	Nil



				non-statutory services provided to third parties for a fee.	
Employee and third-party dishonesty	Loss due to the dishonesty of Employees and/or theft of money by computer fraud.	£500,000 any one loss and any one membership year	£250 (Primary School) £500 (all other Members) each and every loss	£10 million	Nil
Money	Loss of money whilst in transit or elsewhere	Various, including cash on premises or in transit £5,000	£50 (Primary School) £100 (all other Members) each and every loss	Various, including cash on premises or in transit £2,000	
Personal Accident	Compensation for accidental bodily injury to employees, governors, trustees, volunteers and pupils whilst on the business of the school in the UK.	Death and capital benefits £100,000	Nil	Death and capital benefits 4 x annual salary	Nil
United Kingdom travel	Compensation for travel related costs including loss of baggage, cancellation, curtailment, rearrangement and change of itinerary	Baggage and money £2,000 per person. Cancellation £1,000 per person.	Nil	Baggage £5,000 and money £3,000 per person £10,000 for group leader. Cancellation £10,000 per person.	Nil
Overseas Travel (including winter sports) and Personal Accident	Compensation for travel related costs outside of the UK including medical expenses, loss of baggage, cancellation, curtailment, rearrangement and change of itinerary  Compensation for accidental bodily injury to employees, governors, trustees, volunteers and pupils whilst on the business of the school outside of the UK	Medical expenses £10,000,000 per person. Baggage £2,000 per person. Cancellation £4,000 per person (£250,000 per trip). Death and capital benefits £100,000 per person.	Nil in respect of Medical Expenses. £50 in respect of Baggage. Nil in respect of Cancellation.	Includes: baggage £5,000 and money £3,000 per person £10,000 for group leader, medical expenses unlimited, cancellation £10,000 per person. Includes pre-existing medical conditions.	Nil
Legal expenses	Reimbursement of legal expenses relating to employment disputes, contractual disputes, tax investigations, civil actions in relation to expulsions by the school.	£100,000 any one loss and any one membership year.	£250 (Primary School) £500 (All other Members) each and every loss.	This cover is not provided as the insurer assumes such legal services are usually provided via the local authority's in-house legal team.	N/A
Cultural Assets	Loss or damage to Cultural Assets (including works of art)	£10,000 per item, maximum £250,000 any one loss of multiple cultural assets.	£50 (Primary School) £100 (all other Members)	£1,000 on any one cultural asset or reinstatement value of the property any one multiple loss	Excess as per Material Damage cover detailed above.

## Appendix 2.0 Motor Policy Excesses (Per Claim)

<b>Motor</b>	<b>Cover</b>	
	Provides accidental damage cover for Council vehicles up to the market value of the vehicle or repair cost, whichever is the lesser. The insurance also covers third party damage or injuries including passengers, where Council owned or hired vehicles are being used for school business and the accident was the fault of the driver. Cover is also included for defending criminal prosecutions, subject to the agreement of insurers.	
	<b>Peril/Circumstances of claim</b>	<b>Excess</b>
	Fire / theft	£250
	Accidental damage whilst the vehicle is being driven by an NCC employee	£250
	Accidental damage whilst the vehicle is being driven by a non NCC employee	£500
	Accidental damage whilst the vehicle is being driven outside of the UK	Additional £250
	Accidental damage whilst the vehicle is towing a trailer	Additional £250