

BRIEFING NOTE TO SCHOOLS FORUM

Risk Protection Arrangements

Background

1. The Department for Education's (DfE's) Risk Protection Arrangement (RPA) was introduced as a voluntary arrangement for academies and free schools effective from 1 September 2014.
2. The RPA is not an insurance scheme but is a mechanism through which the cost of risks that materialise in schools will be covered by government funds. The arrangement rules set out the basis of the membership, risks covered and process for making claims.
3. The Department is considering extending the risk protection arrangement (RPA) currently operational for academy trusts (ATs) to the local authority maintained school (LAMS) sector, and issued a consultation document on 9th September 2019 to obtain feedback for the proposal. The consultation closed on 4th November 2019.
4. Membership of the RPA scheme for academies is currently charged at £18.00 per pupil and the proposal is that the cost per pupil should be the same as for the current RPA, since the DfE believe the risks faced by LAMS are similar to those faced by academies.
5. If implemented, the proposal suggests that where individual governing bodies of LAMS join the RPA the financial mechanism will be an adjustment to their budget share and a corresponding adjustment to the local authority's Dedicated Schools Grant (DSG).
6. It is also proposed that it will be possible for all LAMS in a LA to join collectively by agreeing through the Schools Forum to de-delegate funding, as they currently can for purposes including insurance. In that case the DfE propose the LA would apply for membership on behalf of all of the schools, though LAMS would become individual members and make individual claims
7. Information about what the proposed scheme would cover is attached.

Considerations for Schools

1. It is reported that the academy sector has seen significant financial savings through membership of the RPA, so the same might be expected for maintained schools.
2. Schools will need to be aware that there may be areas of cover or services that they will require that they will need to procure separately. They will need to ensure the cover or service is adequate for their needs. They will not benefit from the council's economies of scale if they are obtaining this cover directly.
3. In the event of a major loss the RPA is not contractually obliged to pay out on claims, or to replace a school to the quality or requirements for the community.
4. The council offers support to schools in claims handling, risk management and insurance advice and support in response to queries and requests, valuations and property surveys which the RPA does not provide. RPA claims are handled by a third party provider.

5. Removing schools from the council's insurance arrangements is likely to impact on the council's premium and will affect the council's ability to spread the premium and costs of the risks, as there will be a smaller base to share these costs. This would be kept under review to assess the impact on costs for schools continuing to buy in to the council's insurance SLA and if this service can be maintained.

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