

## **1. EXECUTIVE SUMMARY**

This report sets out the scope of the services provided to schools and Academies and summarises the scale of the service. It highlights the benefits to schools, some changes introduced from 1 April 2016 and future developments.

## **2. BACKGROUND**

Schools have been procuring risk management and insurance from the authority since the budget for these services was delegated almost 20 years ago and almost all continue to do so. The service continues to be well received and the current package of services comprises:

- Provision of a comprehensive baseline package of insurance from both the commercial insurance market and the Council's in-house Insurance Fund
- Maintenance of detailed policy records and underwriting disclosure information, such as rebuilding values for school premises
- Provision of written confirmation of Public and Employers Liability insurance and, where relevant, Motor insurance
- Management of all insured claims, supporting the school through claims processes and providing help to reduce the cost of individual losses
- Maintenance of individual claims histories for each school
- Provision of advice on insurance related matters, including the interpretation of legal scenarios
- Provision of advice on loss control, as and when required
- Provision of a comprehensive guide to the school's insurance programme
- Access to specialist commercial insurance / claims advice from a retained panel of brokers, specialist solicitors, loss adjusters and barristers

In principle, there is competition from the private sector for the provision of insurance and ancillary services. However the authority considers that its offering has a number of unique features, not least of which are the highly competitive premiums, previously benchmarked at around 50% of commercial insurance market rates. These are the result of the authority's buying power and levels of self-insurance. Other significant benefits include:

- A quality portfolio of insurance, tailored to the school's needs
- The process through which insurance is procured is both competitive and fully compliant with public sector procurement legislation
- Schools pay nil or minimal excesses in the event of a claim
- Advice on insurance and risk improvement matters is both professional and impartial
- Claims handled by the Risk & Insurance team can be settled more promptly than commercial insurers or brokers

- Experienced support on technical and sensitive liability claims
- The team has local knowledge and provides a local presence that can be on site rapidly in the event of an emergency

More recently a service offer has been developed to support Academies. This has been taken up by all previous school clients that have converted, other than those which have joined an existing MAT. They have formed the Wirral Academy Insurance Group, which currently comprises 11 schools, including one based outside the borough. Whilst the range of services is broadly similar to that for controlled schools, because of their legal status Academies require an individual package of insurance that reflects their particular risk exposures. The team helps them to procure this, either from commercial insurers who are committed to the local authority and education sectors, or through an alternative risk financing arrangement. There is also greater emphasis on the team acting as the Academy's loss assessor and advocate in discussions with insurers, claims handlers, solicitors and loss adjusters.

### **3. SCALE OF SERVICE**

Risk and Insurance has one of the highest 'buy back' rates of all traded services. 110 schools are purchasing the service in 2016/17 at a total cost of approximately £970,000. To give some indication of the scale of risk presented by schools, the Property insurance policy alone covers school buildings and contents of almost £433m. These figures do not include the service for Academies indicated above.

### **4. CHANGES IN 2016/17**

The service is responsive to schools' changing needs and welcomes feedback as to potential areas of improvement. A tangible example of this concerns cover for malicious damage. There has always been cover for malicious fires (arson) and vandalism to glazing and equipment. But, in response to feedback from schools, full malicious damage cover has been extended to school buildings and their contents with effect from 1 April 2016.

A further change which came into effect at the start of this month concerns insurance for the buildings and contents of voluntary aided schools attached to the Roman Catholic Diocese of Shrewsbury. The Diocesan Trustees own the school buildings and have taken a unilateral decision to make their own arrangements to insure them. The Council will continue to be responsible for providing other classes of insurance, such as Liability, Engineering and Money. Charges for the schools affected have been reduced to take account of the change. However early indications are that charges from the Diocese have risen by around 50%, resulting in higher overall costs for individual schools. There may be a case for affected schools to seek recovery of the additional costs.

### **5. FUTURE DEVELOPMENTS**

The rapid expansion of the Academies programme announced in last month's Budget will have particular implications for the Risk and Insurance service. As indicated above, Academies need to make individual arrangements to cover their risks and the Risk and Insurance team can provide the support which they need. Cover is available either through the commercial insurance market or from Department for Education's 'Risk Protection Arrangement'. The team can provide impartial advice and provide access to the market which provides best overall value for an individual school.

The SLA requires schools to assist the team by advising of their intentions to convert to Academy status as early as possible, at which point the team can discuss their individual insurance requirements in more detail.

## **6. RECOMMENDATIONS**

- **That schools note the range of services available.**
- **That schools provide notice of their intention to convert to Academy status as early as possible**

**Julia Hassall**  
**Director of Children's Services**