

THE ACADEMY LEADER



DOES YOUR ACADEMY HAVE A POSITIVE RISK CULTURE?

The results of a survey looking at risk management in education, commissioned by Marsh*, made for interesting reading. It found that, while awareness of risk management issues at senior management level was strong, with 82% of schools having a formal risk management strategy, just 20% actively engage staff in managing risk as part of ongoing training.

This is a potentially serious issue. No one person or team can be expected to oversee everyday risk assessment and management across an entire academy site. Risks of all shapes and sizes can evolve and emerge on a daily basis, driven by a range of factors — from loose flooring and blown light bulbs, to more significant building maintenance issues, and the presence of contractors on site.

The truth is that risk management can only be effective as part of a risk culture in which everyone understands its importance and in which no-one can simply walk away from a potential problem.

Why Make it a Priority?

First, a positive risk culture is proven to help avert incidents that can put students and staff at risk. Clearly, safety incidents at academy undermine efforts to provide a safe and secure environment and can cause serious reputational damage — prevention is better than cure here.

Continued overleaf



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Welcome to the summer 2015 edition of *The Academy Leader*. I hope that the holiday period provides the luxury of a little time to read the topical issues in this edition.

I would particularly like to draw your attention to our lead article, which looks at the importance of developing and maintaining a strong risk culture — a culture in which everyone at an academy plays an active role in identifying, reporting, and managing everyday risks as they emerge. The benefits of this kind of culture, from a financial and a safety point of view, can be significant.

We also look at the advantages of owner-controlled insurance programmes, in terms of protecting academies during construction works — which include more robust protection for costs incurred during delays, and ongoing protection in the event of contractor liquidation.

In addition, we have the usual mix of news in brief, plus a Q&A with Paula Cook our head of client services (GI). Find out why Paula — once owned two Vauxhall Vivats at the same time.

In the meantime, if the time to review your academy's insurance arrangements is looming, we'd be delighted to explain how Marsh could help — so please do get in touch on 01444 335100 or development.team@marsh.com

On top of this, efforts to provide a safe environment have positive financial consequences. The return on investment in safety, health, and environmental programmes is currently estimated to be four to one^{**}, and schools with strong risk cultures, as evidenced in claims records, can realise significant savings on their insurance premiums.

Vulnerabilities and Challenges

The strength of any organisation's risk culture can never be taken for granted, but it is during times of organisational stress that a weak culture can be really exposed.

Financial underperformance and the need to cut costs can lead to corners being cut, and good practices being forgotten. Similarly, rapid growth, a merger or partnership with another local academy, and an increased use of third party suppliers may all reduce the everyday, cultural focus on risk management.

The symptoms of a poor risk culture are many and varied, but affected organisations commonly show a high degree of fragmentation with respect to expected behaviours, and a low level of accountability for decisions and actions.

With this in mind, academies should consider how members of staff might interpret what is expected of them and find ways to modify perceptions where necessary. Similarly, it is important to ensure that risk management practices do not promote a "fixation with checklists" — staff should be prepared to take the initiative, not just be focused on "ticking boxes".

Developing a Robust Approach

Quite simply, an academy has a strong risk culture when staff at all levels consistently exercise sound judgment in the face of everyday risk.

This means individually and collectively anticipating risks and reporting issues of concern, looking out for each other and the school, and responding to evolving situations in line with overall risk management processes.

Developing a risk culture often means finding ways to be more creative about engagement — a mix of formal training and informal "nudges" or reminders, and employing a range of discussion formats, is vital to ensuring desired behaviours become part of a culture in which risk management is second nature.

In the end, academies that successfully develop a risk culture will reap the rewards — accidents and reputational damage will be less likely. On the other hand, those that pay lip service to the issue or adopt a piecemeal approach may be setting themselves up for a fall.

To keep up-to-date with the latest trends in risk management for academy schools join, the Marsh UK Education Forum on LinkedIn or visit uk.marsh.com/academyschools.

^{*} *Making the Grade? A Marsh Survey into Risk Management in the Education Sector 2015*
^{**} ASSE, "Financial Decision Makers' View on Safety: What SH&E professionals should know", *Professional Safety*, 2009

DID YOU KNOW?

From emergency phone numbers, to a hazardous substances record, a library of templates to assist in the running of your academy can be found at: ecclesiastical.com/educationhub

**FAST
FACT**

HOW DO YOU CHECK YOUR EMPLOYEES' DRIVING RECORDS?

Since June 2015 the paper counterpart to the photocard driving licence has not been valid and is no longer issued by the Driver and Vehicle Licensing Agency (DVLA) in Great Britain. Therefore, you are no longer able to rely on the paper copy of the licence to check whether an employee is legally permitted to drive, or to discover any driving convictions your insurer may require you to disclose.

Information concerning endorsements and vehicle driver entitlement is now held on the DVLA's driver record, and can be accessed online, by phone, or post.

The online facility *View My Licence* will allow an employee to generate a one-off "check code" to pass to their employer, to allow the employer to see the driving licence record including entitlements and/or penalty points with the driver's consent.

Should academies wish to contact the DVLA for a licence check by post or by phone, they will be charged at £5 per check. In both instances the driver's permission is required.

The Marsh Adviser — *Abolition of Paper Counterpart Driving Licences*, sets out further the implications for academies, advises on how to carry out licence checks, and provides additional guidance on other risk management actions to take.

Further information is available at: uk.marsh.com/education, the Marsh UK Education Forum on LinkedIn, and via the DVLA website.

IS YOUR ACADEMY PROPERLY PROTECTED DURING CONSTRUCTION WORKS?

These days, prospective pupils and their parents expect a high standard of school facilities, so everything from science labs to gymnasiums can represent a significant competitive advantage when it comes to attracting the new intake. This has led many academy schools to invest a great deal in upgrading existing facilities and building new ones.

But what about insurance during construction works? Academies have traditionally relied on the main construction contractor to provide insurance cover, but this approach can leave an academy vulnerable in the event of contractor liquidation or a delay in completion.

One alternative is to cover construction risks by way of an owner-controlled insurance programme (OCIP). An OCIP is a project-specific construction policy that is procured by the property owner in the joint names of the main contractor and themselves. The OCIP arrangement provides protection during the lifecycle of a development, and lends itself to any construction-related project.

The benefits of a well-designed OCIP are many and varied. For instance, it will offer non-cancellable protection for the duration of works, while claims monies are paid directly to the academy. In addition, this kind of arrangement rarely represents an additional cost. Indeed it may be more cost effective overall since contractors will pass on insurance premiums in their tender bids — ultimately, the academy pays for insurance whether it buys direct or not.

The benefits of OCIPs are not limited to the cost of cover, however — these programmes also provide more complete protection. For instance, if there was a major fire during the construction phase, which resulted in a delay in completion, the academy could suffer a huge financial loss, including lost rent and the cost of finding alternative accommodation.

Under an OCIP arrangement, academies can protect against these losses by including cover for consequential financial loss in the event of a delay. On the other hand, contractor-provided insurance would not cover these losses since the contractor has no insurable interest in the academy's continued revenues.

Similarly, in the event of contractor liquidation, an OCIP would remain in place — so the partially completed site would still be protected even if the contractor defaulted and was no longer occupying the site.

In the end, the growth of OCIPs tells its own story. Over the last three years, the team at Marsh has placed more than 180 education-related OCIPs, ranging from a small school gymnasium extension to multi-million pound science laboratories and student accommodation schemes — clearly, schools and colleges increasingly see this approach as both cost-effective and offering more secure cover.

Summer Building Works?

Is your academy undertaking building works this summer? Make sure risk management and insurance are both part of the process. Building works, especially any “hot works”, such as blowtorches, may require separate insurance so check with your insurer or insurance broker.

NEWS IN BRIEF

How to Fight Supplier Fraud: The summer is often the prime time for acts of supplier fraud to be committed. With contractors' hoardings often on display, opportunities exist, for example, for fraudsters, purporting to be from the building firms, to seek bank details. As the fraudsters are becoming increasingly skilled in their ability to misappropriate funds from academies, a review of internal procurement policies and procedures could prevent a major loss.

To understand how to protect your academy against supplier fraud, please read our adviser guide “*Supplier Fraud — The Key to Prevention is Education*”, on uk.marsh.com/academyschools

Engineering Inspections: Academies are often homes for a wide variety of engineering plant and machinery, some of which may require a statutory inspection, such as lifts and pressure vessels. Did you know Marsh can arrange these inspection contracts for you as well as the appropriate engineering covers? For further information, please call 01444 335100.

Apple Upgrades: Is your academy investing in iPads and tablet devices this summer? Putting them in the hands of pupils and staff can be a risky undertaking, as accidents do happen. At Marsh, we offer tablet PC insurance designed to cover academy owned devices in and out of school — including accidental damage and screen cover.

Premiums are 4% of the original purchase price. This means, for example, cover for an iPad costing £400 is just £16 per annum. So, if you have invested in tablet devices and iPads, or are planning to do so, make sure comprehensive insurance is part of that investment.

To arrange cover, simply tell us the number of tablets that you wish to insure, supply us with a list of the serial numbers, purchase prices, makes and models, and we will do the rest. To find out more call 01444 335174.



PAULA COOK, HEAD OF CLIENT SERVICES (GENERAL INSURANCE) — MARSH



Where were you born?

I was born in Cuckfield, West Sussex.

Where did you study?

Central Sussex College, Haywards Heath.

What was your first job?

I was receptionist at a Ford Main Dealer. I loved dealing with all the

customers and took great pride in remembering their car registration numbers so that I could show them how much I cared!

What is your role with Marsh?

I am Head of Client Services — General Insurance (GI) and it is my role to ensure the smooth running of the GI support team based in Haywards Heath, so that all our clients receive only the highest level of service and advice. We pride ourselves on our high levels of client retention and you can only achieve this through excellence of service and the quality of advice provided.

What do you think are the key ways Marsh, as an insurance broker, can support an academy?

Experience counts for a lot and the education practice has been working with schools and colleges since 1926. There's not much we haven't seen before, so I would encourage our academy clients to see us as their own internal risk management/insurance functions. Any questions, no matter how big or small, please do ask.

From a "risk" perspective, if you could convince academies to do one thing differently, what would it be?

Every academy must have a detailed and thoughtful business continuity plan (BCP) that is supported and adopted by all the key stakeholders. Crucially, it must also be regularly tested and refined. Desk-top and full

participation exercises will ensure that lessons are learnt, knowledge is shared, and responsibilities identified. You don't need to run through the whole plan every time, but key stakeholders must have confidence in it and understand the roles they play. You need to be ready for the call from the press, know what to do when there is a flood, and know how you are going to continue to educate if the school is closed due to an outbreak of illness within the teaching staff.

You are the Chartered Insurance Institute (CII) training champion for the education practice — why are the CII qualifications so important?

It's vital for personal career progression but also demonstrates a commitment to our core company values, ensuring that our clients receive advice from knowledgeable and highly qualified staff with whom they can build long lasting relationships based on trust.

What is the best bit of professional advice you've ever been given?

"Realise that you will make mistakes, the only way to make sure you do not is to do nothing".

What book are you currently reading?

Put That Dog Out, by Jane Leaney. Jane is my best friend and this is her first published book.

Favourite film:

Forest Gump and *The Godfather*.

First ever car?

A Vauxhall Viva. My father paid £50 for two identical blue Vivas. He decided to buy two on the basis that I would almost certainly crash the first one very quickly — I took great pleasure in proving him wrong!

Preferred weekend getaway destination?

Anywhere hot — the hotter the better.

For further information, please contact:

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