

# THE LEADER



## RISK PROTECTION ARRANGEMENT (RPA): THE VIEW FROM MARSH

*Government plans for a risk protection arrangement for academies and free schools places unnecessary and inappropriate risk on to the public balance sheet, and may even undermine the health and well-being of pupils and staff, writes Jon Taylor, Head of Education at Marsh.*

It is by now well known that the Department for Education (DfE) is proposing to introduce a risk protection arrangement (RPA) for academies and free schools in England. The RPA is essentially a mechanism through which the cost of risks that materialise from 1 September 2014 will be covered by government funds rather than by commercial insurance as they are today.

At Marsh, we have significant doubts about the appropriateness of such an arrangement and, as you may have seen in the press, we have recently written to the Secretary of State for Education, setting out our concerns.

In essence, these relate to:

- **Long-term viability** — in applying a uniform per pupil pricing structure, the scheme fundamentally ignores the appropriate pricing of risk — a mistake which has been made before. In this instance, we believe the RPA will be significantly underfunded leading to issues of cost and viability. To put this point in context, even if the Government were to achieve a saving of £20 million per year, this is well below the possible cost of a single large incident such as a fire at an academy.
- **All academies are not the same** — the RPA is likely to attract those academies which stand to gain the most from the unrealistic pricing. Those that, for reasons relating to the risk they present (location, constructions, claims history, etc.), currently pay the highest insurance premiums. This is clearly not a sound basis on which to create a protection arrangement.

*Continued overleaf*



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Welcome to this summer edition of *The Leader*. Particularly topical for us, and I am sure for you, is the subject matter of our lead article. The Government has announced its intention to create a “risk pooling” or risk protection arrangement (RPA) for academies and free schools in England. The article explores a range of issues which we feel threaten the viability of the scheme, and which we have already passed on to the Secretary of State for Education, Michael Gove.

You will also find an article covering summer fête planning and the associated risk management considerations, information on the launch of the Marsh UK Education Forum, a dedicated LinkedIn® group for networking, support and information sharing, as well as a Q&A with Teresa Hughes — General Manager at Securus Software Ltd.

Finally, I would like to thank all those who took part in our recent client satisfaction research programme. I am delighted to report very positive feedback across the board, though of course, constant improvement remains our focus. Look for the results in the autumn *Leader* next term.

As ever, I hope you find *The Leader* an interesting and useful read. If you have any comments, questions and suggestions for future articles, please do not hesitate to get in touch.

- **Risk management** — the benefits of commercial insurance arrangements, such as risk management surveys and reports, property valuations, timely updates on current risk issues and developments, and the ability for schools to call on the advice of a range of subject matter experts, will be lost. In time, we believe this will translate into the deterioration of claims experience and, potentially, increased risk to the health and well-being of pupils and staff.

From the experience we have gained as a major provider of insurance services to academies, we believe that the placing of risk onto the public balance sheet in this way is both unnecessary and inappropriate.

Needless to say, we are actively seeking an opportunity to discuss these issues with the Secretary of State.

### Wait and See

Any academy or free school considering opting into the RPA will clearly wish to consider the detail before making an evaluation of the suitability for them.

With this in mind, we would encourage those considering the RPA to carry out a full evaluation of the cover, risk management support, and claims service provided. We entirely understand and support the “wait and see” approach being adopted by many academies. For those that are currently contracted to a long term undertaking (LTU) with a commercial insurer, they are also best equipped to adopt this approach as the Education Funding Agency (EFA) has committed to reimburse the actual cost of insurance above £25 per pupil between 1 September 2014 and the expiry of the agreement.

In the meantime, please rest assured that Marsh remains committed to providing a professional insurance and risk management service to academies and free schools. Indeed, we will continue to apply our expertise for the benefit of all schools, whether acting as brokers for the full insurance programme or those covers falling outside the Department for Education scheme only.

### Risks Outside the RPA

Insurance covers and services that Marsh provides which sit outside the RPA include:

- Overseas travel insurance.
- Arrangement of statutory engineering inspections.
- School vehicles/fleet insurance, including cars, mini-buses, coaches, trailers and agricultural equipment.
- Occasional business use (OBU) liability insurance for the vehicles of staff, volunteers, governors, and parents.
- Key staff health insurance.
- Fine art and antiquity insurance.

Further information on these covers can be found at:

**[uk.marsh.com/academyschools](http://uk.marsh.com/academyschools)** or by calling **01444 313100**.

### DID YOU KNOW?

Marsh can arrange motor insurance for your mini-buses, coaches, and maintenance vehicles.

[uk.marsh.com/motorOBU](http://uk.marsh.com/motorOBU)

**FAST FACT**

## GET LINKEDIN®: JOIN THE MARSH UK EDUCATION FORUM

We have created a special education interest group on LinkedIn®. The Marsh UK Education Forum is designed to bring together like-minded UK education professionals to share ideas, support, and knowledge — all drawn from the 15 million professionals already using LinkedIn®.

The idea behind the forum is to make it a great source of information for the industry in general, not just for Marsh clients. The information will be provided by Marsh and also by the forum members. For our part, we will share education focused risk management information — advice, sector news, and ideas — as well as news from Marsh’s Education Practice.

The forum offers a chance to create a thriving online community — its members may work in different education sectors and support industries, but many will face similar challenges. As a result, we hope to see forum members sharing best practice and new perspectives — as well as simply networking online with fellow professionals and reconnecting with former colleagues.

As with any forum of this type, the Marsh UK Education Forum’s success will depend on its members — the more of you that get involved, the better, and the more useful it will be for everyone. So why not take five minutes and join today.

Simply visit [www.linkedin.com](http://www.linkedin.com) and search for Marsh UK Education Forum.

Source:

<http://www.independent.co.uk/life-style/gadgets-and-tech/news/linkedin-passes-15-million-user-landmark-in-uk--including-five-mermaids-9186920.html>

## THE SURVEYOR SAYS:

**Dear Bob: We're planning a charity fête in the summer holidays, what do we need to think about from a risk management perspective?**

**Bob says:** Fêtes can be a lovely way to make the most of summer; mingling with parents and pupils, having fun, and raising funds for your academy.

All the same, there are many things to think about to ensure your event goes without a hitch — especially making sure your premises, including gardens, entrances, exits, and any equipment, and substances, are safe for your visitors, volunteers, and employees.

To help you, we've summarised five key things to think about.

### Planning a Fête: Five Things to Think About

#### 1. Your school as a venue

Where will you be holding the fête? Make sure the location is suitable — is it big enough for the numbers you expect? Is it accessible for your attendees and for anyone providing equipment? How will you control your site to ensure people do not stray from the "fête area"? Are there any potential hazards, like swimming pools or ponds, which should be secured?

#### 2. The layout

How you arrange your activities can go a long way towards making the event a success. First, make sure the site is not over crowded and pedestrian routes will not become congested, and ensure that pedestrian and vehicle traffic is well segregated. Secondly, any rides or arena events should be cordoned off with clear entry and exit points. Finally, whilst no one likes to think of something serious going wrong, it is also important to make sure that there is clear access for emergency vehicles in the event they are needed.

#### 3. The risks

Think about what's planned for the fête and about the venue you're using — what else can you do to make sure no one gets hurt? Make sure you undertake a risk assessment for the event as a whole and specifically for activities such as rides, bouncy castles, climbing walls, and cooking. If you're using any portable electrical equipment, is it in good working order? How many people will be attending? Do you need crowd marshalls or someone on traffic duty?

#### 4. Third party suppliers

If outside operators are providing and operating bouncy castles, fairground rides, food and drink, and other activities, you need to check that they are suitably experienced and hold adequate public liability insurance to cover property and accidents or injuries to members of the public.

#### 5. Legislation

Does any legislation apply to your event? For example, will there be a "beer tent" or are you providing live entertainment? If you are unsure, or need help with compliance, your local authority's licencing officer can advise.

Thinking about all these important points, and planning everything in advance, will help make your school fête a success, so you can concentrate on enjoying the cupcakes.

For further information, please visit [www.ecclesiastical.com/educationhub](http://www.ecclesiastical.com/educationhub).

*Bob Johnson is Risk Services Technical Manager at Ecclesiastical which is a specialist insurer with over 40 years' knowledge and experience in insuring schools, academies, and colleges.*

## NEWS IN BRIEF

**Engineering Inspections:** Academies are homes for a 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? For further information, please call 01444 313100.

**Quick-Fire Checks:** Is your academy planning any building works over the summer to either extend or upgrade its facilities? If so, make sure risk management and insurance are both part of the planning process. Building works, especially any "hot works" involving the use of heat, such as blowtorches and so on, may require separate insurance so check with your insurer or insurance broker.

**Summer Upgrades:** Is your academy investing in tablet PCs this summer? Putting iPads and tablets in the hands of pupils and staff can be a risky undertaking, as some schools are discovering. So, if you have invested in tablet devices, or are planning to do so, make sure comprehensive insurance is part of that investment.

At Marsh, we offer tablet PC insurance designed to cover devices in and out of school, which is easy and quick to set-up. Premiums are 4% of the original purchase price. This means, for example, cover for an iPad costing £400 is just £16 per annum. To find out more, call 01444 313100.

## UPCOMING EVENTS

If you would like to talk to us in person, why not come and see Marsh at the following event:

**19 - 20 November** — NASBM National Conference, Birmingham Hilton Metropole



## TERESA HUGHES - GENERAL MANAGER, SECURUS SOFTWARE LTD



*Where were you born?* Erlangen, Germany.

*Where did you study?* Brooklands Technical College, Weybridge.

*What was your first ever job?* I joined Surrey Police as a uniformed police constable and then progressed to become a

detective. I specialised in investigations involving online offences against children.

*How did you become involved in the education sector?* I took a career break from the police to work for a charity called the Lucy Faithfull Foundation (LFF). LFF works predominately in the area of the prevention of child sexual abuse. As part of my role I delivered internet safety messages to teachers, children, and parents. I felt that the knowledge I gained from working with offenders gave me an insight into how they may try to engage online with children. This provides an excellent starting point for developing safety messages.

*What is your role with Securus Software Ltd?* I am general manager, which I love because it enables me to use my child protection knowledge to ensure that our software systems continually reflect what children and young people are doing online. The role also allows me to visit schools, academies, and colleges, to train teachers, students, and parents, which I always enjoy as it's great to get feedback "on the ground".

*How does Securus work with schools, academies and colleges?* Using constantly updated "trigger" keywords that encompass the wide range of threats faced by young

people, Securus flags up potential child protection issues manifesting on a network. This empowers academies to provide an immediate, informed response which is often based on the visual record captured by Securus. The system also facilitates lasting improvements in pupil behaviour and safety, helping them to recognise unsafe situations and encouraging them to use new technologies responsibly.

*If you could convince schools, academies and colleges to do one thing differently, what would it be?* Sometimes we find that online safety is perceived solely as a network manager's responsibility; in fact, it is intrinsic to whole-academy safeguarding. If a pupil indicates on a social networking site that they're feeling suicidal, that is not a technical issue...so I always try to convince them that it's the safeguarding lead who needs to be involved.

*What is the most important challenge the education sector faces right now?* Marrying up the huge learning opportunities presented by new technologies in the classroom with an increased need for safeguarding has to be up there...youngsters are natives of the digital age — and we're not!

*What is the best bit of professional advice you've ever been given?* Always take a moment to step back and assess a situation before making decisions.

*What book are you currently reading?* *Celebrating Life* by Jonathan Sacks.

*Favourite film?* *Kill Bill*.

*First ever car?* VW Beetle.

*What is your greatest indulgence?* Travel and coffee!

### For further information please contact:

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