



Department  
for Education

# **Changes to the Risk Protection Arrangement (RPA) for Academy Trusts from September 2016**

## **Government consultation**

**Launch date [17 December 2015]**

**Respond by [31 January 2016]**

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## Introduction

We want to bring about changes to the Department for Education's Risk Protection Arrangement (RPA) Membership Rules and Academies Financial Handbook with effect from September 2016, which includes reducing the RPA General Annual Grant (GAG) deduction from £25 per pupil to £20 per pupil.

## Who this is for

- Academy trusts which are (or are interested in being) a member of the RPA, this includes free schools, faith schools that are academies, special academies, alternative provision academies, university technical schools, studio schools and Private Finance Initiative (PFI) academy trusts
- Church and other faith bodies
- Representative organisations and associations of academies
- Insurance industry and suppliers of insurance services

## Issue date

The consultation was issued on 17 December 2015.

## Enquiries

If your enquiry is related to the policy content of the consultation you can contact the team via email:

[RPA.consultation@education.gsi.gov.uk](mailto:RPA.consultation@education.gsi.gov.uk)

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

## Additional copies

Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

## The response

The results of the consultation and the Department's response will be [published on GOV.UK](#) in [Spring 2016].

# About this consultation

## Summary

The Department is proposing to make changes to the Risk Protection Arrangement (RPA) Membership Rules from September 2016 and is also proposing to reduce the RPA GAG deduction from £25 per pupil to £20 per pupil.

## Context

The RPA for academy trusts is an alternative to insurance where UK government funds cover losses that arise. The RPA started on 1 September 2014 with Academy Trust members, subject to a deduction of £25 per pupil (per place in special and alternative provision academies) from their General Annual Grant (GAG), which was set at this level until 31 August 2016.

## Proposed changes

We propose to:

- Reduce the RPA GAG deduction from £25 per pupil to £20 per pupil from September 2016. Actuarial advice suggests that this reduction can be implemented without putting financial strain on the scheme. Reducing the deduction by £5 per pupil will leave academies with additional funds to spend as they see fit. We propose thereafter to review the GAG reduction value annually and would consult in a timely manner regarding any further changes that may be considered appropriate.
- Scale up the RPA risk management audits further, under the contract currently held by Willis Ltd. The ongoing risk management audit programme and recommendations subsequently implemented are already adding value to risk management practice and raising awareness of risk across the RPA member base. The reduced exposure to risk will in turn reduce the likelihood and impact of incidents and RPA claims.
- Say more about risk management in the Academies Financial Handbook. It will be mandatory that academies co-operate with risk management auditors and risk managers and implement reasonable risk management audit recommendations that are made to them under the RPA. Academies will be required to provide a progress report to the RPA setting out their plan to implement both the risk improvement requirements and recommendations. This would allow for interventions in academies if necessary, especially where claims under the RPA had resulted from the non-implementation of risk improvement requirements or recommendations.

- Set a time limit on reimbursing academies for long term insurance arrangements. The Education Funding Agency (EFA) will not meet further claims after 31 August 2017, three years from the start of the RPA.
- Reduce the period of notice, which RPA members must give before leaving the RPA, from six months to three months. The RPA is well established now and we consider this period can be reduced by three months, while still allowing EFA time to implement the relevant funding adjustments.
- Clarify the arrangements for Multi Academy Trusts (MATs) to join the RPA where only some of their academies are able to join in the first instance. We are content for MATs to join in a phased manner where their other academies still have commercial insurance contracts in place, but only if they commit to their remaining academies becoming RPA members as soon as practicably possible. This has been standard practice since the start of the RPA and is being clarified in the rules.
- Clarify that principles contained in the 'Membership Rules for church academies', are equally applicable to other faith and non-church bodies eg. any trustee body in the same position in relation to the premises used by an academy as a diocese or other Church body. The Membership Rules for church academies would be re-titled and slightly re-drafted to make this clear.
- Clarify that the RPA will consider providing an indemnity to a Member for claims that are normally dealt with on a 'claims occurring' basis under RPA (namely Sections 1, 2, 3, 4, 7, 8, 9, 10 and 11) but where a RPA Member has previously purchased an insurance policy on a 'claims made' basis. Claims will be considered at the request of the Member who will be required to provide evidence of the insurance cover previously purchased. Claims will not be considered in the following circumstances:
  - a. where the applicable claims made insurance policy was taken out or incepted after the date of this consultation (17 December 2015)
  - b. for any claim where the cause of such claim occurred or that was alleged to have occurred prior to the date of the signing of the funding agreement for the relevant academy
  - c. to the extent that an indemnity is provided by an insurance policy
  - d. for claims that the Member had prior knowledge of before opting to join the RPA
  - e. for claims or incidents that the Member was aware of but were not notified by the Member to the insurer before the policy expiry date (or where relevant discovery period)
  - f. for claims related to a class of insurance where the Member had opted not to purchase an insurance policy

Subject to this consultation, the proposed revised GAG reduction will take effect from 01 September 2016, and the current [RPA Membership Rules](#) and the [Academies](#)

[Financial Handbook](#) will be updated to reflect these changes with effect from from 01 September 2016.

We would like to hear your views on our proposals.

## **Respond online**

To help us analyse the responses please use the online system wherever possible. Visit [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations) to submit your response.

## **Other ways to respond**

If for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, you may download a word document version of the form and email it or post it.

### **By email**

- [RPA.consultation@education.gsi.gov.uk](mailto:RPA.consultation@education.gsi.gov.uk)

### **By post**

Risk Protection Arrangement for Academies Team  
Finance and Commercial Group  
Piccadilly Gate  
Store Street  
Manchester  
M1 2WD

## **Deadline**

The consultation closes on 31 January 2016.



Department  
for Education

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write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

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