

# AGENDA SUPPLEMENT (3)

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**Meeting:** Schools Forum  
**Place:** Council Chamber - County Hall, Trowbridge BA14 8JN  
**Date:** Tuesday 15 March 2016  
**Time:** 1.30 pm

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**The Agenda for the above meeting was published on 7 March 2016. Additional documents are now available and are attached to this Agenda Supplement.**

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Wiltshire Council

## Schools Forum

March 2016

### Supply Pool Insurance Scheme

#### Purpose of the paper

1. To raise School Forum's awareness of the current position of the Supply Pool Insurance Scheme.
2. To make recommendations relating to cashback for 2015-16.

#### Background

3. The Supply Pool Insurance scheme has been running for a number of years providing schools with insurance cover for sickness absence. A cashback arrangement is in place whereby if a schools total year's claims are less than 50% of their premium, they will be entitled to a cashback payment, where affordable.
4. The forecast balance on the Supply Pool at the end of 2015/16 is £1.103m.
5. The Supply Pool is no longer underwritten by external insurers to provide a Stop Loss Policy. This decision was taken by Schools Forum due to the balance on the Reserve.
6. Officers and Schools Forum have previously agreed that it would not be prudent to retain a balance of less than £1m.

#### Main Considerations

7. The aim of the proposals set out below is to encourage schools to remain loyal to the LA SPI Scheme and to encourage new schools to join the scheme. Currently there are 133 schools participating in the SPI Scheme, plus 11 academies.
8. The table below sets out the financial position of the Supply Pool for 2015-16.

<b><u>2015-16 Position</u></b>			
Opening Balance 2015-16			-1,201,713.67
Less Cashback for 2014-15			131,209.66
<b>Revised Opening Balance 15-16</b>			<b>-1,070,504.01</b>
Income - Academy Schools	-114,548.42		
Income - Maintained Schools	<u>-737,059.61</u>	<b>-851,608.03</b>	
<u>Expenditure</u>			
Claims Paid	521,682.36		
Claims in Transit 15-16	255,000.00		
Administration	<u>42,000.00</u>	<b>818,682.36</b>	
<b>Surplus of Income over Expenditure</b>		<b>-32,925.67</b>	<b>-32,925.67</b>
<b>Closing Balance on Supply Pool</b>			<b>-1,103,429.68</b>

9. On the basis of the estimate balance at the end of 2015-16 it is anticipated that if a cashback was offered, then an enhanced cashback (100%, estimated between £130k - £150k) would reduce the balance on the Reserve to below £1m, whereas a 50% standard cashback (50%, estimated between £65k - £75k) would ensure that the overall balance on the Reserve remained above £1m.

### **Proposals**

10. The following are proposed to Schools Forum;

a) to offer 2016-17 Premiums at a 0% increase on 2015-16's prices.

b) Cashback payments should continue, where affordable.

c) As above in paragraph's 3 and 8, the estimated value of the Reserve is safely above the desired level to be able to afford the 2015-16 standard cashback in June 2016. This is estimated to leave the pool balance at £1.030m. This is estimated at £30k above the considered prudent retained level (£1m). This would enable Schools Forum to award the cashback on a standard 50% basis for 2015-16.

The formula to calculate the cashback is 50% of Schools premium-claims / divided by 2 = cashback balance e.g.

Schools premium	<u>£10,000</u>
Calculate 50% of premium	£ 5,000
Minus claims for financial year	<u>-£ 1,000</u>
<b>Balance (100%)</b>	<b>£ 4,000</b>
<b>Cashback - 50% of the above balance</b>	<b>£ 2,000</b>

d) The LA seek guidance to verify whether the pool balance of £1m is still appropriate for the Supply Pool Insurance scheme.

### **Recommendation**

11. Schools Forum is asked to note the content of the report.

12. Schools Forum is asked to agree to the proposals set out in paragraph's 10 a – d.

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