

DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR COUNCIL SERVICES

16 June 2014

Report of the Strategic Director of Corporate Resources

OPERATIONAL RISK MANAGEMENT PROJECTS

1 Purpose of the Report

To seek the approval of Cabinet to proposed operational risk management projects.

2 Information and Analysis

Background Information

Derbyshire County Council has provided funding assistance for risk management schemes in schools (including secondary schools) and other County premises since at least 1995.

The purpose of these risk management schemes is to:

- Protect the safety of the pupils, visitors and employees
- Protect assets from
 - Vandalism Damage
 - Arson
 - Theft – particularly of IT equipment

Funding support is only recommended when it is established by the Risk and Insurance Manager and Property Risk Manager that there is a need for the project based upon:

1. Request by the establishment including detail of any problems experienced which are not insurance claim related.
2. Review of the annual completed Risk Assessment Questionnaires. These focus on the existing physical security, layout of the site (eg Concealed courtyards, flat roofs etc, locality crime and housekeeping at an establishment along with a rating of the level of incidents experience. Each question is scored and a total ranking determined for each establishment.

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3. Experience of any existing on-going problems or any anticipated problems.
4. The location of the establishment.
5. Site visit by the Property Risk Manager to verify the contents of the annual Risk Assessment and validate the necessity and anticipated benefit.

The Risk Management projects often, but not always, take the form of fencing of the property compound.

Between 1991 and 2013 Derbyshire County has experienced direct financial loss resulting from damage to or theft of assets from schools totalling £17.6m (£14m arson, £2.6m theft and £1m malicious damage). This level of loss does not include the extra staff costs in dealing with claims, the knock-on increases in insurance premiums caused by poor claims experience, reputational aspects or, perhaps more significantly, disruption to the learning of pupils.

Since 1995 the Risk Management Budget has contributed around £1.65m to schools fencing and security schemes.

Since 1 May 2014 Derbyshire County Council is self-insured for the first £1m of any fire loss in education establishments and completely self-insured for theft and malicious damage at education establishments.

Secondary Schools with completed fencing projects have seen a combined 88% reduction in these types of losses (an average of £18,000 per secondary school per annum).

Funding

The 2014-15 Capital Programme includes funding for risk management projects of **£562,348** comprised of:

- | | |
|---|----------|
| • 2013-14 Risk Management Capital carried forward | £312,348 |
| • 2014-15 Capital Budget – Risk Management | £250,000 |

Projects for Approval

Attached at Appendix 1 is a list of school bids which are being recommended for approval. All schools were asked to complete a property risk assessment form as part of the insurance renewal process and asked in May 2014 to submit their bids. The risk assessment form is issued with the renewal proposal form to ensure 100% completion and because it provides underwriting information to support the renewal underwriting process. This information forms the basis for selection of priorities for funding, in line with Government guidance in respect of school

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security. The primary schools listed are anticipated to contribute 25% of the total project cost and secondary schools/non-school establishment to contribute 50% of the total project cost.

This year's schemes involve fencing, fire prevention, access control and safeguarding measures at schools across the County.

Contingencies

As in previous years it is being recommended that the remaining risk management budget be retained to fund further issues that arise throughout the year, a number of which are already identified (as detailed in Appendix 1), but still require detailed costing or planning advice.

A number of schools currently do not have adequate fire alarm protection. It is recommended that some of the contingency be used to commence a program of alarm installation and connection to central monitoring stations for higher value schools and those in higher risk areas where significant detection installation is required.

The contingency amount is:	£
Risk Management Capital Budget	£562,348
Less confirmed project bids	<u>-£132,197</u>
Risk Management Capital Contingency	<u>£430,151</u>

3 Financial Considerations

The total estimated cost of these risk management improvements is £132,197 for 2014/15. It is proposed that this be financed as shown in Appendix 2.

4 Legal Considerations

The County Council has a duty of care to provide a safe environment for staff, pupils and visitors.

5 Human Resources and Health Considerations

Completing these projects will show the Council's continued commitment to safeguarding and personal safety, in protecting staff, pupils, service users and visitors. It will help to protect the Council's assets from vandalism, theft and arson, which can be costly and cause significant disruption to services.

6 Other Considerations

In preparing this report the schemes have been discussed with the heads of the establishments, and, where appropriate, the County Property Division Area Surveyors and/or CAYA Area Health and Safety Officers to ensure that the works planned are the most appropriate to address the problems at the individual sites.

The relevance of the other following factors have been considered: prevention of crime and disorder, equality and diversity, environmental, property and transport considerations.

7 Key Decision

No.

8 Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report? No

9 Background Papers

Held in the Risk and Insurance Section.

10 OFFICER'S RECOMMENDATION

The Cabinet approves the risk management capital projects set out in Appendix 1 of the report.

JUDITH GREENHALGH

Strategic Director of Corporate Resources

3 June 2014

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APPENDIX 1

Establishment	Problem	Scheme Details	RM Contribution	Total RM Bid	Scheme
Fritchley CofE Aided Primary School	Potential intrusion from neighbouring properties and children leaving school site during day. Property security and safeguarding issues.	Internal & boundary fencing, gates and controlled entry.	£8,625	£11,500	Fencing – asset protection & safeguarding
Ripley Nursery School	Presence of significant combustible wooden structures adjoining the building need replacement to comply with insurance requirements, safety and fire concerns. Low level fencing at rear of the building leaves the buildings exposed to intrusion once structures are removed.	Wooden building replacement and boundary fencing.	£26,347	£35,129	Fire Prevention
Street Lane Primary School	Site is unsecure with exposure to intrusion onto site both during school day and out of hours along with associated safeguarding issues.	Boundary fencing.	£27,225	£36,300	Fencing – asset protection & safeguarding
William Allitt School	Open access to the site during and out of school hours raises security and safeguarding issues. School has received “requires improvement” Ofsted result.	Building compound fencing, gates and associated access control equipment.	£19,000	£38,000	Fencing – asset protection & safeguarding
Mary Swanwick School	Inadequate fire detection – fire risk assessment identified need for more detection. School ranks highly in annual security risk assessment.	Installation of adequate fire detection equipment.	£26,000	£26,000	Fire Alarm Protection – Asset Protection and Safety.

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Establishment	Problem	Scheme Details	RM Contribution	Total RM Bid	Scheme
Stenson Fields Primary	Inadequate fire detection – fire risk assessment identified need for more detection. School ranks highly in annual security risk assessment.	Installation of adequate fire detection equipment	£25,000	£25,000	Fire Alarm Protection – Asset Protection and Safety.
			£132,197	£171,929	

Risk Management Budget 2014-15

	Devolved Formula Capital	RM Capital	Total
2013-14 Capital carried forward	£ -	£ 312,348	£312,348
2014-15 Capital Budget	£100,000	£250,000	£350,000
Total 2014-15 Capital Budget	£100,000	£562,348	£662,348