

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**1 October 2013**

**Report of the Director of Finance**

**OPERATIONAL RISK MANAGEMENT PROJECTS  
(COUNCIL SERVICES)**

**1 Purpose of the Report**

To seek the approval of Cabinet to proposed 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.
3. Experience of any existing on-going problems or any anticipated problems.

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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 £1.65million to schools fencing and security schemes.

Derbyshire County Council is self-insured for the first £150,000 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 2013-14 Capital programme includes funding for risk management projects of **£423,069** comprised of:

- 2012-13 Risk Management Capital carried forward                      £173,069
- 2013-14 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 security risk assessment form as part of the insurance renewal process and asked in May 2013 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 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.

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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	£423,069
Less confirmed project bids	<u>-£110,721</u>
Risk Management Capital Contingency	<u>£312,348</u>

### **3 Financial Considerations**

The total cost of potential risk management improvements is £288,871 for 2013/14. 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.

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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.

PETER HANDFORD

Director of Finance

29 August 2013

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**APPENDIX 1**

<b>Establishment</b>	<b>Problem</b>	<b>Scheme Details</b>	<b>RM Contribution</b>	<b>Total RM Bid</b>	<b>Scheme</b>
Swanwick Hall School	Regular intrusion onto site during school hours. Property security and safeguarding issues.	Gate access control for existing gates. To support property security and safeguarding.	£5,250	£10,500	Access Control
Belper School	Regular climbing onto roofs of buildings not enclosed by existing fencing. Broken windows and skylights.	Anti-climb access protection. To support property security.	£11,500	£23,000	Roof protection
Brimington Junior School	Intrusion onto site through uncontrolled car park access.	Fencing to buildings compound with controlled access intercom	£7,500	£10,000	Fencing – asset protection & safeguarding
Glossopdale School	Multiple open site access points. No gates to secure perimeter. Resulting in regular intrusion, vandalism, property damage and fly-tipping on site. Safeguarding issues.	Infill fencing to seal up unauthorised access points. Installation of security gates to pedestrian entrances. Installation of vehicle access gate Formally communicate with all neighbouring householders regarding unauthorised access points and trespass.	£10,000	£20,000	Gates, infill fencing
Homesdale Infant School	Regular intrusion, vandalism and property damage (particularly to outdoor play equipment).	Some infill fencing and access gates to close existing perimeter gaps plus car park gates to improve safeguarding of pupils.	£12,120.90	£16,151	Fencing – asset protection & safeguarding

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<b>Establishment</b>	<b>Problem</b>	<b>Scheme Details</b>	<b>RM Contribution</b>	<b>Total RM Bid</b>	<b>Scheme</b>
Peak School	Vandalism	Increased height fencing and gates	£11,250	£15,000	Fencing – asset protection & safeguarding
Granby Junior School	Inadequate fire detection – fire risk assessment identified need for extensive fire detection. School is located in a higher risk area.	Installation of adequate fire detection equipment	£18,950	£18,950	Fire Alarm Protection – Asset Protection and Safety
John Flamstead School	Inadequate fire detection – fire risk assessment identified need for extensive fire detection throughout the site. School rebuild value is high.	Installation of adequate fire detection equipment	£24,150	£24,150	Fire Alarm Protection – Asset Protection and Safety
Somerlea Park Junior School	Inadequate fire detection – fire risk assessment identified need for extensive fire detection throughout the site. School is located in higher risk area.	Installation of adequate fire detection equipment	£10,000	£10,000	Fire Alarm Protection – Asset Protection and Safety
			<b>£ 110,721</b>	<b>£147,751</b>	

### Risk Management Budget 2013-14

	<b>Devolved Formula Capital</b>	<b>RM Capital</b>	<b>Total</b>
2012-13 Capital carried forward	£ -	£173,069	£173,069
2013-14 Capital Budget	£100,000	£250,000	£350,000
<b>Total 2013-14 Capital Budget</b>	<b>£100,000</b>	<b>£423,069</b>	<b>£523,069</b>