

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

12 October 2010

Report of the Director of Finance

Part 1- Public

Matters for Recommendation to Cabinet

1 RISK MANAGEMENT CONSULTANCY ALLOWANCE

This report seeks Member approval for the further allocation of an allowance provided by the Council's insurers in respect of risk management initiatives.

1.1 Introduction

1.1.1 As part of the insurance renewal exercise in 2006/07 the Council's insurers, Zurich Municipal, granted the Council a Risk Management Consultancy Allowance of £31,500 which could be used to fund various risk management initiatives. As reported to the Finance & Property Advisory Board meeting on 23 May 2007, proposals for the use of this allowance will be reported to members of the Audit Committee for consideration

1.1.2 On this occasion two proposals are reported for consideration :-

- The Director of Health & Housing has proposed that the insurers be requested to review and update as necessary the Council's Written Schemes of Arrangement in respect of pressure vessels. This is a statutory requirement and, if the review was not undertaken by the insurers, the Council would need to employ specialist contractors to undertake the work. Cost - £450.00
- The Director of Planning, Transportation and Leisure has proposed a review/audit of the Council's client role and responsibilities for managing the Grounds Maintenance Contract with Kent County Council. A similar review was carried out by the insurers on the Refuse, Re-cycling and Street Cleansing Contract and the results from that exercise will be incorporated into the management of the Grounds Maintenance Contract. There are however many differences in the activities undertaken and, taking into account the scale of the contract and its impact borough wide, the Service considers that a specific review/audit would be beneficial. Cost - £3,500

1.2 Financial and Value for Money Considerations

- 1.2.1 The allowance may only be allocated to risk management tasks that are carried out by the insurers. The total cost for the two proposals will be £3,950. There is currently a balance of £7,058 and therefore, if approved, these proposals will reduce the balance to £3,108.

1.3 Legal Implications

- 1.3.1 Employers are required by law to comply with the provisions of the Health & Safety at Work etc Act 1974. The Health & Safety at Work etc Act places a responsibility on employers to monitor contracts and contractors.

1.4 Policy Considerations

- 1.4.1 Asset Management and Health and Safety

1.5 Risk Assessment

- 1.5.1 A failure to comply with the provisions of the Health & Safety at Work etc Act could result in penalties and fines being imposed on the Council. More importantly we could be inadvertently jeopardising the safety and welfare of contractor /Council employees and members of the public. In addition the reputational risk for the Council should a fine or penalty be imposed by the Health & Safety Executive could be considerable.

1.6 Recommendations

- 1.6.1 Members are **REQUESTED** to recommend to Cabinet that the two proposals noted in this report be approved, and that the necessary funding be met from the risk management consultancy allowance.

Background papers:

contact: Brian Courtney

Nil

Sharon Shelton
Director of Finance