



GAUNTLET

Managing your Hotel Risk



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INTRODUCTION

Your hotel business is vulnerable from a diverse number of risks ranging from minor incidents such as malicious damage and glass breakage through theft and injury to employees and guests to a major fire which could destroy your livelihood. Of course, this is why you insure against these contingencies and transfer the risk to the broad shoulders of insurers.

It is not sufficient to leave it there. A large number of hotels that do have a serious fire do not fully recover despite having adequate insurance cover. This can be due to a number of reasons, highly competitive market conditions and the seasonal nature of the trade of some hotels are undoubtedly common factors.

Safeguarding the business assets and potential liabilities should therefore be seen as a partnership of insurance and control of risk known as RISK MANAGEMENT. This is something in which all hotels, not just large multinationals, should become involved. Managing the risk by controlling and reducing it not only makes your business less vulnerable to damage, but carried out in sufficient depth will reduce your insurance bill.

We recognise that a reduced risk is of long term benefit to you and your insurers and by surveying your premises a risk management consultant can carry out a full evaluation.

It is hoped that this guide will enable us to help you control and minimise losses by use of RISK MANAGEMENT.

To achieve this, it is important first that you carry out Risk Assessment to establish

- Hazards
- Who or what might be harmed
- Whether the risk is already adequately controlled
- What further action is necessary to control the risk

You should record the findings of this assessment and review them on a regular basis.

Amongst the areas to be considered in the Risk Assessment should be

ARSON
ELECTRICAL INSTALLATIONS
FIRE PROTECTION
HOUSE KEEPING
SECURITY AND INTRUDER ALARMS
HEALTH AND SAFETY
HOT WORK AND CONTROL OF CONTRACTORS
WATER DAMAGE
DISASTER RECOVERY

Once the assessment is complete all hotels should nominate a person as Fire & Safety Officer. Larger organisations may need to appoint a full time Fire & Safety Officer to whom full management backing should be given. This individual should be made responsible for the creation and overseeing of loss prevention programmes.

ARSON

Arson is now the main cause of fires in the United Kingdom, with damage running into millions of pounds each week. The potential arsonist can often be frustrated by taking the following precautions

Keep combustible materials secure

- Fence and gate all yards.
- Remove combustible waste and materials from open areas or keep them in an area well clear of the perimeter and the buildings.
- All flammable liquids and gasses should be locked away in secure stores at the end of the day. Petrol and diesel pumps should be immobilised.

Improved Security

- Make sure all windows and doors are secured at night and kept in good repair. Replace broken panes of glass.
- Provide lighting to the grounds (shining away from the building).
- Institute a formal written inspection of security on locking up.
- Control the access to the hotel both during the day and at night. All visitors should be monitored and supervised.

Staff

- Make staff aware of the hotel's policy on arson.
- Get staff's agreement and co-operation to carry out the recommendations in this section.
- Carry out the normal pre-employment checks on new staff.

ELECTRICAL INSTALLATIONS

Electricity is common place in all buildings and we all make use of it but electrical installations are the second most common cause of fires. They can also cause injuries and fatalities if not properly used and maintained. The installation, use and maintenance of electrical installations is governed by the Electricity at Work Regulations 1989 which give the minimum legal requirements.

To reduce the risks the following standards should be put in place:

- Installations should be inspected and tested at least every five years as recommended by the IEE Regulations (BS7571). It is also recommended, as a minimum, visual inspections are made annually of portable equipment.
- Work on electrical installations should only be undertaken by a competent trained electrician or a suitable electrical contractor such as an NICEIC member. Staff should only undertake simple operations such as changing light bulbs.
- Special advice should be sought before installing equipment where flammable vapours or explosive dusts may be present.
- Be aware of hazards when replacing or updating equipment eg more powerful equipment may overload circuits.
- Consider fitting of Residual Current Devices as a safety feature.
- Separate power and data circuits.
- Train staff in:
 - the dangers
 - effective isolation of electrical equipment immediate a problem is recognised
 - treatment of electrical shock
 - the current methods of fighting electrical fires
 - reporting possible hazards eg damage to flex, as soon as they are noticed.
- Avoid the use of portable electric heating appliances wherever possible.
- If handtools are used consider the use of either air tools or electrical tools operating on 25 volts, 50 volts or 110 volts.

FIRE PROTECTION

The main types of fire protection equipment are:

Fire Extinguishers

These should be installed in sufficient numbers as recommended by your risk management consultant and also by the local Fire Officer at clearly marked fire points. The extinguishers should normally be hung on wall brackets to reduce the risk of them being removed and inspected annually.

The main types are

- Water Suitable for most fires except those involving flammable liquids or live electrical apparatus.
- Dry Powder Suitable for fires involving flammable liquids or electrical apparatus.
- Carbon Dioxide Suitable for fires involving flammable liquids or electrical apparatus.
- Foam Suitable for most fires including flammable liquids.

Hose Reels

A good fire fighting tool because of an almost unlimited water supply. Useful particularly in large open plan areas and long corridors.

Automatic Sprinklers

These are usually installed in accordance with the Loss Prevention Council rules. Systems will automatically raise the alarm and have the additional benefit of providing life safety cover as well as reducing direct fire damage and business interruption.

It is usually recommended that the alarm on sprinkler systems is connected to a remote monitoring station.

Fire Detection Systems

- Manual systems give a warning of a fire when the premises are occupied to allow safe and prompt evacuation.
- Automatic fire detection systems consisting usually of a combination of heat and/or smoke detectors linked to a central control panel. These systems are again usually linked to a 24 hour monitored point or a remote monitoring station and give early warning of a fire at all times. Automatic fire detection systems should be installed as a minimum level of fire protection in all hotels.

Fire Break Walls, Shutters and Doors

These serve to divide the premises and thus restrict the spread of fire and smoke. Fire exit routes, storage areas and special hazards should be separated in this way. All fire and smoke doors should be fitted with self closers.

Conclusion

The equipment needed will vary from one hotel to another and the actual equipment installed should be assessed according to the size of premises and the hazards identified, certain equipment may also be required to obtain the Fire Certificate. Key staff should be given training as to how to safely use fire equipment. We will be happy to provide further advice on the protection considered appropriate.

HOUSEKEEPING

Good housekeeping is an essential part of good management, as it:-

- Improves efficiency
- Aids productivity
- Reduces fire risks
- Reduces risks of injury
- Leads to employees having a greater pride in their work place
- Gives guests a good impression of the hotel

The following areas should be targeted:-

Cleanliness and Tidiness

- Staff should be encouraged to tidy their own areas.
- Combustible waste should be cleared from the premises at least daily (more frequently in some places).
- Waste containers should be incombustible preferably with lids. They should be removed or emptied before the close of business.
- Waste should be stored in a safe area away from buildings or boundaries prior to removal from the site.
- Dust should not be allowed to build up on ledges, sills etc.

Escape Routes

- Fire exits to be kept clear
- Storage should be prohibited in corridors and in stairways

Maintenance

- Buildings including claddings, roofing, gutters, down pipes, tanks, pipelines and tank binds should be inspected at least once a year and repaired, cleaned or painted as necessary.
- Boilers, pressure vessels, lifts or escalators should be examined by law at predetermined intervals.
- Cooking and kitchen equipment must be maintained.
- Overriding thermal cut-out devices can be fitted which can turn off the heat source if the thermostat fails.
- Frying ranges should be supervised at all times whilst in use and provided with a metal lid.
(Please note that insurers apply strict warranties to your insurance cover in this respect)

Smoking

- In areas where smoking is allowed either in public areas or "back of house" it is essential waste is swept up during the day and removed at night. The area should be inspected and ash trays emptied into a lidded metal bin solely used for this purpose.
- Smoking should be prohibited in areas where there is a health or environmental risk eg, kitchen and swimming pools. In addition, specifically relating to fire risks smoking should be prohibited in the following areas:
 - Workshop and maintenance areas
 - Storage areas and plant rooms
 - Archive stores and other areas which are not frequently visited.

A self inspection list is available from us on request and should help you monitor many of the above features at your premises.

SECURITY AND INTRUDER ALARMS

Hotels are generally occupied 24 hours a day but they are still vulnerable to "walk in " theft and also theft of valuable goods at night. Security of the site/premises should be appraised as a whole.

Site Perimeter

- Consider if there is a need to control access to the site by fences and gates both in business hours and at night.
- Security lighting may also assist in deterring unwanted attention at night.
- Close circuit television can be useful to monitor the perimeter of a larger site.
- For very large sites consider permanent manned security presence, perhaps using both lighting and close circuit television to assist.

Building Perimeter

- Doors and windows will need to be of sturdy construction.
- Doors will generally be considered by the Fire Officer to be fire exit doors and hence will need to be able to be opened internally without a key. However, doors not so designated and also to higher security areas, should be secured by mortice deadlocks conforming at least to BS3621.
- Ground floor windows in public areas should have key operated window locks fitted. Windows in wines and spirits stores and similar areas may need bars or grilles.

Internal Protections

- Doors to guest and staff bedrooms should be in good condition and of substantial construction. They should also be secured by good quality rim automatic deadlocks or similar. These locks will of course need to be openable from the inside without a key.
- Wines, spirits and tobacco may need extra protection by means of secure stores which should be locked when unattended. Where high values of these items are present, intruder alarm protection by a NACOSS recognised company may be necessary.
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Attention needs to be paid to the security of computers and other electronic equipment. Securely locked rooms or lock down or cabling devices may be necessary. Details of some suppliers of this equipment are enclosed.

Cash

- All money and other negotiable items should be kept, as far as practical, in a safe. A risk management consultant will be able to advise on suitable safes, but as a general rule it should be of a standard adequate to contain the maximum amounts cash expected at weekends or holiday times.
- All safes should be located in an office not accessible to the public.
- Cash should be cleared from reception and bar tills as often as practical
- Ideally cash should be banked by a security company. However, staff can carry limited amounts of cash, but the times of banking should be varied. Other measures such as dividing cash between their persons and taking a different route or using a different vehicle should also be used.
- Keys should be kept secure and their use logged.

Guests Valuables and the Hotel Proprietors Act 1956

- Adequate safe(s) or safety deposit facilities must be installed for the safekeeping of guests valuables such as jewellery and travel documents as required by the Hotel Proprietors Act 1956.
- In the past it has been known for guests to offer goods such as a money belt stating that it contains a sizeable amount of cash. A receipt should be issued, but unless the amount of cash or the contents have been checked and has actually been counted, the receipt should only be for one money belt.
- The Hotel Proprietors Act 1956 states a Notice in an easy to read form should be displayed within two metres of the reception.

HEALTH & SAFETY

Hotels have a legal responsibility for employees, guests and other persons using the facilities who may be injured by their actions. They also have a responsibility for property owned by others that may be damaged.

Employees

By law any organisation employing more than five people must produce a Health & Safety Policy which forms the basis of their approach to safety. A risk management consultant will be able to guide this.

In addition you will need to comply with other more specific legislation. However, the following recent legislation should form a good basis to begin your Health & Safety loss control programme. Health & Safety of employees and to some extent the public, is controlled by the Health & Safety at Work Act 1974 and most of the legislation mentioned below has been enacted under the provisions of this act.

1. Management of Health & Safety at Work Regulations 1992.
2. Provision and Use of Work Equipment Regulations
3. Manual Handling Operations Regulations
4. Workplace (Health, Safety and Welfare) Regulations
5. Personal Protective Equipment at Work (PPE) Regulations
6. Health & Safety (Display Screen Equipment) Regulations
7. Control of Substances Harmful to Health
8. Electricity at Work Regulations

The most important of these being the Control of Substances Harmful to Health and also Management of Health & Safety at Work Regulations 1992 as both of these require an assessment of the risks to the Health & Safety of your employees and to anyone affected by the work activity or substance. This assessment should lead to many hazards covered by other more specific legislation being identified.

Health & Safety of Guests and Visitors

Safety of guests and visitors must be the prime consideration for hotels. The following areas need close control.

Fire Precautions Act

The conditions of the Certificate issued by the Fire Authority should be fully understood. It is particularly important that the following are observed.

- All specified equipment e.g. fire doors, fire extinguishers, fire alarms, emergency lighting etc is maintained in full working order as per the requirements of the Certificate.
- Fire alarms are tested and the results logged.
- Training of staff and evacuation drills for staff are held as required and logged.
- No significant changes are made to the layout of the building without the Fire Authorities agreement.

Kitchens

All food safety regulations must be observed and attention paid to the following:

- Wall and floor surfaces should be maintained in good condition and kept clean.
- Cooking extraction systems should be regularly cleaned and deep cleaned at least once a year.
- Fridges and freezers etc must operate at the correct temperature.
- Hygiene of staff working in the kitchen or handling food.

Electrical Equipment

Electrical equipment in guest rooms should be regularly inspected visibly as to its condition. The HSE leaflet "Maintaining Electrical Equipment in Hotels" which is free for single copies, gives more detailed advice.

Water Storage Facilities

These need to be checked regularly for legionella bacteria.

Fitness Facilities and Swimming Pools

Precautions must be taken to control people visiting these facilities. It is suggested that the following should apply:

- Solarium and sauna equipment is to be maintained under a service agreement in accordance with the manufacturers/suppliers recommendations.
- The equipment is supervised at all times whilst in use and time controls recommended by the manufacturer are to be observed whilst the equipment is in use.
- Children under 16 years of age are not to be permitted to use solarium or sauna equipment.
- For gymnasium equipment a written assessment should be made of each member/ guests previous experience in the use of all items of equipment prior to use by the member/guest.
- Exercise and weight training equipment is to be provided only following establishment that the guest/member is in satisfactory health.
- Use of gymnasium equipment must be supervised at all times and those guests/members who are not experienced in the use of the equipment should be provided with adequate pre-use training.
- Children under 16 years of age should not use gymnasium equipment.
- The swimming pool should be supervised by adequately qualified staff at all times. In smaller establishments this may mean remote monitoring of the area by a close circuit television system.
- Daily tests of safe chlorination levels should be undertaken.
- The pool area should be secured from entry when not in use.
- Clear markings of pool depths levels should be indicated.
- Children under 16 years of age should not be allowed to use the swimming pool without direct supervision of an accompanying adult.

HOTWORK AND CONTROL OF CONTRACTORS

Many large fires have occurred during maintenance and construction operations. Such fires often result from carelessness or ineffective supervision of contractors during operations requiring open flames or the application of local heat. Experience has shown that a satisfactory standard of care and supervision is far more likely to be achieved where a formalised written Permit to Work system is in force under a suitably experienced supervisor to control the "hot work" operation. A Permit to Work and checklist for hot work operations is available on request. This should be completed before any "hot work" can be carried out. The precautions listed should not be considered exhaustive as special risks may present special additional hazards which require different precautions. As a guide the following general precautions should be followed.



- During times of cold weather make additional inspections of all vulnerable areas to ensure bursts or leaks are not occurring.
- If a pipe freezes, turn off the main stop valve. To thaw the pipe apply hot water bottles or a thick cloth soaked in hot water. Alternatively, use a hairdryer, never use a naked flame.
- If a pipe bursts, turn off the main stop valve.
- Notices should be displayed in guest rooms to the effect that shower curtains should be placed inside the bath whilst using the shower. Generally a notice reminding guests not to overfill baths can prove useful.
- In the event of failure of the mains water supply, guests have sometimes turned on taps to obtain water and left them open. In the event of such incidents it is suggested that a notice be delivered to each room as soon as possible advising everyone of the temporary disruption and stating taps should be turned off and left turned off until normal supply is returned.

DISASTER RECOVERY

Even with a well planned Risk Management and Loss Control Programme disasters can still occur and 40% of businesses suffering a major fire loss cease trading within a short period. A clearly defined action plan will provide an effective response to the disaster and allow the business to recover in the shortest possible time. It should include the response to the following possible disasters.

- Fire
- Flood
- Bomb Threat
- Chemical Release
- Storm
- Third Party Actions

A concise, response orientated action plan should be drawn up to include:

- Responsibilities - who does what
- Activities - what they do
- Layouts - where things are
- Hazards - identification
- Services - location

Finally, it will need to incorporate a recovery plan which will state the actions necessary to reinstate the business. It should deal with the following areas:

- Ensure the availability of a full equipment inventory
- List of potential suppliers of plant, equipment and stocks
- List of facilities which may be available in other locations
- Service and Equipment
- List specialist contractors eg salvage companies or emergency repair companies
- Detail vehicle and equipment hire possibilities
- Detail specialist production equipment suppliers
- Emergency finance
- Suppliers of raw materials and components
- Communication and Records

You should record actions to be taken to restore

- Internal communications
- Customer/Client communications
- Critical data, information and records
- Computer processing