

Managing Blocks of Flats

In June of 2017, tragedy struck London as massive flames destroyed Grenfell Tower, a block with 127 flats and 20 residential levels. The fire began in a Hotpoint fridge-freezer and spread at a rapid pace, likely due to flammable cladding installed on the building in a recent renovation. The unexpected disaster caused 72 casualties, emotional devastation and millions of pounds in damage.

While extreme, this event is just an example of the potential disasters you may encounter as a property manager for blocks of flats. After all, you never know when tragedy will strike. Be prepared for the worst by understanding the risks associated with managing blocks of flats, best practices for proper risk management and appropriate cover options.

Risks to Consider

When managing blocks of flats, there are a variety of risks that have the potential to cause serious consequences. Whether it be a contractor slipping in the stairway or a resident suffering exposure to bacteria, keep the following risks in mind:

- **Fires**—From kitchen mishaps to equipment issues, it only takes minutes for flames to cause chaos. Fires present several risks to your building, your employees and your residents, including:
 - Smoke inhalation
 - Serious burns
 - Structural damage or collapse
- **Working at height**—For a block of flats with multiple storeys, there is an increased risk of serious injury and possible death for any contractors or maintenance employees that

perform work at height. These risks may present themselves in activities such as washing windows or performing maintenance to external features of the building.

You never know when tragedy will strike. Be prepared for the worst by understanding the risks associated with managing blocks of flats, proper risk management practices and robust cover options.

- **Slips, trips and falls**—A simple slip can be a serious risk in a block of flats. A variety of circumstances can cause slips, trips and falls for both your residents and your employees, such as:
 - Poor lighting in hallways
 - Slippery floors
 - Misplaced cables from maintenance equipment or tools
- **Electrical issues**—A variety of electrical problems can cause mayhem in a block of flats. Maintenance employees and residents could suffer from shocks and burns at the hands of faulty equipment, such as a defective floor polisher, or improper installation, such as poor wiring. Although testing portable appliances is not required by law, the Electricity at Work Regulations 1989 require that any electrical equipment that has the potential to cause injury is maintained in a safe condition. Letting appliances lapse into an unsafe state of

Provided by **Crendon Insurance Brokers Ltd**

The content of this Risk Insights is of general interest and is not intended to apply to specific circumstances. It does not purport to be a comprehensive analysis of all matters relevant to its subject matter. The content should not, therefore, be regarded as constituting legal advice and not be relied upon as such. In relation to any particular problem which they may have, readers are advised to seek specific advice. Further, the law may have changed since first publication and the reader is cautioned accordingly. © 2018 Zywave, Inc. All rights reserved.

Managing Blocks of Flats

disrepair could make you liable for any injuries or damage the appliances subsequently cause.

- **Hazardous substances**—Both residents and maintenance employees are at risk for suffering from serious eye, skin and lung complications if they come in contact with the following substances sometimes found within blocks of flats:
 - Bleach and other cleaning chemicals
 - Hazardous pesticides
 - Asbestos-containing materials
- **Diseases**—If not maintained properly, residents and employees may suffer from the spread of the following diseases within your property:
 - *Leptospirosis (Weil's disease)*, spread through urine of infected animals, such as rodents
 - *Legionnaire's disease*, caused by the growth of legionella bacteria in hot and cold water systems
 - *Common cold or influenza*, caused by poor hygiene practices throughout the property

Risk Management Practices

While the risks associated with your profession may seem overwhelming, you can help protect yourself, your employees and building tenants by taking the following protective measures.

- **Create a property risk assessment**—Your assessment should include the following:
 - Identify the potential risks and hazards on your property, as well as the people who are most vulnerable to each risk. For instance, a maintenance employee that regularly washes windows is at a greater risk for falling from height than a tenant living on the first floor.
 - Take steps to evaluate, remove or reduce the risks at hand. This could entail performing routine checks and regular updates on

property features, strictly enforcing safety regulations or promoting proper hygiene practices to employees and residents. [Use industry-specific HSE best practices](#) to determine effective risk management strategies.

- Provide necessary training and information to anyone involved in risk management strategies, such as maintenance employees.
 - Prepare an emergency plan in the event of disaster. Have routine emergency drills to run through the plan with employees and residents.
 - Record your findings related to risk management. Take note of what works and what doesn't. Use this information to continue updating your risk management strategy.
- **Manage high-level risks**—Apart from a general risk assessment, consider taking a more in-depth approach for high-level risks, such as:
 - *Fires*—Due to the serious damage that can occur from a fire, it is vital to bolster the following aspects of your property in relation to fire safety:
 - i. Clearly defined and easily accessible emergency routes and exits
 - ii. Routinely tested and updated fire detection or warning systems (such as a smoke alarm) throughout the property
 - iii. Effective firefighting equipment
 - iv. Strict rules related to flammable substances and sources of ignition
 - v. An effective emergency fire evacuation plan that everyone in the property understands

Managing Blocks of Flats

- vi. Proper fire safety information available to employees and residents, as well as staff fire safety training
- vii. Full fire risk assessment completed and available in the manager's office

For more detailed guidance on fire safety and fire risk assessments in blocks of flats, see government guidance [located here](#).

- o *Natural disasters*—Consider the following practices to protect your property in the case of natural disasters:
 - i. Identify which kinds of natural disasters your property is most vulnerable to, based on the environment and location.
 - ii. Routinely test and update the infrastructure of your property to ensure it meets safety standards and is as effective as possible for withstanding specific disasters. For instance, if your property is at high risk for storms and flooding, consider reinforcing the doors and windows to avoid leakage.
 - iii. Create specific emergency action plans for different possible disasters. Inform employees and residents of all plans, and schedule emergency drills to practise.

For more detailed guidance on flood risk and creating a flood plan, see [government guidance located here](#).

Creating Robust Cover

Apart from risk management practices, be sure to provide yourself with the ultimate peace of mind by purchasing the following cover:

- **Buildings cover** applies if damage to your property occurs as a result of unexpected insured disasters, such as fires, floods, severe storms, accidental damage or vandalism.
- **Loss of rent cover** protects against the risk of a disaster or crisis causing tenants to move

elsewhere and leaving you empty-handed for the property's rent payment.

- **Alternative accommodation cover** offers protection if your property becomes uninhabitable by an insured disaster and it's your responsibility to find alternative housing for your tenants.
- **Property owners' liability cover** applies if your property causes injury or illness to a third party on or adjacent to your property, such as postal workers or meter readers.
- **Directors' and officers' liability** protects senior management against 'wrongful acts' they made while running a property management company.
- **Employers' liability cover** offers protection in the event of an employee making a compensation claim due to illness or injury caused by working on your property.
- **Communal contents cover** provides protection if any of property within the communal areas become damaged or lost. These items may include furniture, carpeting or decor.
- **Legal expenses cover** applies if a dispute with a tenant requires you to take costly legal action.
- **Terrorism cover** offers protection if your property experiences loss or damage due to terrorist action.

For additional guidance on finding the right cover for your property, contact **Crendon Insurance Brokers Ltd** today.

