

HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Buildings, Land and Procurement Panel
Date:	12 October 2015
Title:	Strategic Asset Management - Risk Management 2015/16
Reference:	6515
Report From:	Director of Culture, Communities and Business Services

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1. Summary

- 1.1. The purpose of this paper is to set out the current Risk Management Strategy for the Built Estate to ensure the investment decisions are based on a strategic risk assessment approach.
- 1.2. This report, through the Strategic Management Framework:
 - identifies health and safety priorities for 2015/2016
 - confirms that resources are directed to the highest and most significant liabilities across the built estate
 - validates performance over the last year and provides a summary of the planned actions and resources required for continuous improvement
 - provides information on the revised key strategic asset risks.

2. Contextual information

- 2.1. The corporate programme requires an annual assessment of each risk by the end of August each year. The assessment ensures that Property Services follow the County Councils priorities for Risk Management.
- 2.2. The key priorities ensure we are delivering capacity across the organisation for handling risk and responding dynamically to uncertainty. They support the maintenance of acceptable health and safety standards, whilst increasing consistency of practice; and ensure risk management effectively supports outcome delivery whilst identifying areas of cross cutting risk, corporate issues and emerging risk.
- 2.3. The County Council has a legal duty to manage the health and safety requirements in its buildings to ensure that people (users/public/staff) are not affected by the risks. The duty is met both by Property Services, who have a

responsibility for the infrastructure of the buildings and the occupiers of the buildings through their facilities management arrangements (e.g. school managers, local building managers).

3. Finance

- 3.1. A detailed programme for expenditure was set out in the report to the Buildings Land and Procurement Panel on the 'Repairs and Maintenance Budget' which considered the level of funding available for the financial year (2015/16) in March 2015. This report provided information on the Capital Repairs Programme Allocations for the Corporate Risk Assessment 2015/16.
- 3.2. The financial approach still represents the optimum position to enable compliance with statutory inspection balanced against essential maintenance replacement.
- 3.3. The budget will be directed to address the highest known properties for health and safety risks defined and set out in the Strategic Risk Register.

Table 1 Capital Repairs Programme –Corporate Risk Assessment

Area of Risk	2014/2015	2015/16
	£'000	£'000
Condition of Building Fabric	9,124	18,545
Mechanical Services Management (failure)	3,394	5,251
Fire Management and (arson) Prevention	586	504
Electrical Services Management(failure)	1,518	4,149
Management of Asbestos	662	591
Structural Condition	344	321
High Level Access to Plant	56	56
Management of Legionella	672	670
Other Priorities	1,611	1,042
CRA Contingency	139	168
Total	18,106	31,297

4. Performance

- 4.1. The current Strategic Risk Assessment and Performance Framework for the Built Estate for 2015/2016 are attached in Appendix 1. Each risk has an abridged commentary. Further information can be found in the Risk Register. The Director of Culture Communities and Business Services (CCBS) has agreed the Property Services Risk Register for 2015/16. The integrated risk

management strategy requires that risk owners review risks quarterly and report by exception through the departmental performance report. The annual risk management report provides assurance of mitigation and effectiveness of controls to the departments Senior Management Team.

- 4.2. In 2014/15 18 strategic risks remained on the Property Services Strategic Risk Register. These were ranked with a detailed assessment and management programme. The Management of Asbestos, Management of Legionella, Management of Glazing and Window Safety, Fire including Arson Prevention and Injury from Hot Surface and Hot Water remain as corporate cross cutting risks with Property Services as the lead risk owner. The overall level of risk for 4 of these risks has been assessed as medium and one risk as low.
- 4.3. Glazing and Window Safety has increased its likelihood score due to a number of incidents in Schools changing its ranking from green to amber. Fire including Arson Prevention is also a cross cutting risk and the level of risk has been reduced to medium.
- 4.4. The remaining risks are directly related to Property Services responsibilities to the Schools and Corporate Estate (repair and maintenance). 6 of these risks have been assessed as low due to the ongoing management of their existing controls. The remaining 7 risks have a Red-Amber-Green (RAG) status of amber.

5. Management of Asbestos

- 5.1. Asbestos management continues to have good systems in place which include survey programmes. There have been a number of minor non-reportable incidents across the County Council and improvements are being made as a result.
- 5.2. Property Services are supporting on the review of the corporate policy and procedures for Asbestos Management to ensure robust systems and processes are maintained to manage this risk and make sure that the County Council remains fully compliant with the Control of Asbestos Regulations (CAR) 2012.
- 5.3. The County Council has an exemplary record of asbestos management and its in-house specialist team maintain the highest level of statutory compliance and certification.

6. Management of Legionella

- 6.1. The County Council maintains robust systems and processes to manage legionella risk through its Legionella Policy. Since 2013 a strong improvement programme has been in action to further improve Legionella Management in the Corporate Estates and Schools as a result of legislative changes and guidance.
- 6.2. Specialist contractors have been employed to undertake Technical Risk Assessments and any remedial works for Schools and the Corporate Estate. Funding was allocated and made available from the existing Service Level

Agreement with Schools and one off funding made available from general contingencies/reserves to fund the improvements required for the Corporate Estate. The programme of works has been profiled over the 2013/14 and 2014/15 financial years.

- 6.3. Local management requires that certain tasks are carried out on a regular basis; these include the Managers Risk Assessment, flushing, water temperature monitoring and recording. Departmental Health and Safety Teams are responsible for auditing and monitoring the local management controls. Data from these audits is used to validate the effectiveness across the County Council to indicate that managers are meeting the required standards.

7. Fire Precautions and Arson Prevention

- 7.1. The County Council has continued to invest in survey and physical work across the Built Estate to meet benchmark standards. There continues to be significant investment in Fire Safety which has included management controls and training.
- 7.2. The amount of investment for 2015/16 has been confirmed as £504,000.
- 7.3. There remain a number of buildings that do not yet meet modern benchmark standards set out in the Fire Safety Management Manual because of the age of the structures. Local management standards continue to improve with the partnership arrangements with Hampshire Fire and Rescue Service and the H3 Facilities Management team.
- 7.4. The (new) accredited Fire Safety Management training continues to be delivered to Schools and the Corporate Estate local managers. This training supports the occupiers of buildings to manage their duties through local fire safety management arrangements.

8. Glazing and Window Safety

- 8.1. The level of risk has increased during the year due to a number of reportable incidents in Schools. The County Council has a legal duty to manage the glazing and window safety in its buildings to ensure that people (users/public and staff) in buildings are safe.
- 8.2. Property Services are currently undertaking Schools glazing surveys and the Children Services Health and Safety Team are required to assess the hazards identified in the surveys and ensure appropriate controls are in place. This can result in physical measures to protect/improve areas of risk and Property Services supports this action, where appropriate, to implement solutions.
- 8.3. A strategy is currently being drafted for the Corporate Estate.

9. Conclusions

- 9.1. Progress continues to be realised through focussed management action and capital investment according to the rank order of the assessed Property risks.
- 9.2. The annual review provides robust assurance and demonstrates that risk management continues to be effective in all key areas of Property Services business. The departments approach to integrated risk management and performance reporting continues to deliver further positive and sustained improvement in risk management.

10. Recommendation

10.1 That the Panel notes:

- i) The robust approach that the County Council takes to the management of risks associated with the built estate.
- ii) That financial resources are directed to the highest priorities and most significant liabilities.
- iii) That management controls are maintained to a high standard and reviewed on a periodic basis.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	Yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	No
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equality Duty

- 1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to: Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2 Equalities Impact Assessment:

An equality impact assessment has been considered in the development of this report and no adverse impact has been identified.

2. Impact on Crime and Disorder:

- 2.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on crime prevention. Some of the programmes support the strategy for crime and disorder to include arson reduction, modifications to buildings to reduce vandalism etc.

3. Climate Change:

- 3.1. Some of the programmes replace buildings fixtures which are more efficient and reduce energy consumption e.g. replacing out of date light fittings in buildings.

Property Services Risk Register (CRA) 2015-2016				
No.	Risk	Level of Risk	Description of Risk	Performance Level
1	Condition of Building Fabric including vandalism – non education	Medium	Since there are a broad range of non educational buildings in terms of age and construction, this risk associated with condition is defined as the state of repair of all components including the risk of failure of components. Condition surveys are completed every five years and annual management partnership meetings are undertaken to prioritise repair and maintenance programmes.	Although this risk has many challenges it is well managed However, further budget pressures may produce increased risks. The revenue budget for the Corporate Estate has been reduced for 2015/16 in line with other budgets. This will need to be monitored over the year.
2	Management of Legionella	Medium	This risk covers the growth of Legionella bacteria with the potential to cause ill health and infection in building users. Hot and cold water systems in the majority of our buildings predate modern design standards. At risk premises include residential homes, schools and any building with shower facilities. Key to the management regime is the local management control of hot and cold water systems, i.e. flushing of outlets and recording temperatures.	The corporate strategy has been introduced to improve the current level of overall performance across the County Council following new legislation and guidance. The level of performance for the area of responsibility that Property Services including the management of the contractors has improved. A considerable amount of work has been done across the Corporate Estate to support local management controls.
3	Fire including Arson	Medium	Fire safety particularly in residential buildings	Overall this risk is well managed

Property Services Risk Register (CRA) 2015-2016				
No.	Risk	Level of Risk	Description of Risk	Performance Level
	Prevention		such as older person's homes continues to be a significant risk. Fires can present a significant business or community loss causing serious damage to buildings including schools, offices and public buildings. The estate is categorised into risk groups and subject to a comprehensive survey and joint inspection programme with Hampshire Fire and Rescue Service (HFRS). The Fire Safety Manual has been reviewed and reissued to comply with the Regulatory Reform (Fire Safety) Order 2005. A strategy for arson reduction continues to be in place and is reducing the risks in schools.	and in particular the physical property aspects. There is also a reliance on local management controls in the implementation of the County Councils strategy and fire safety management plan. Improvements continue in this area.
4	Condition of Building Fabric Including Vandalism - Education	Medium	The risk associated with condition of education buildings describes the state of repair of all components and the risk of failure. There are a number of ways in which the County Council addresses these matters including; a condition survey programme, a helpdesk to provide reactive response and annual management partnership meetings.	This risk is well managed within the financial constraints. The Corporate Risk Assessment continues to inform investment decisions in the Built Estate.
5	Asbestos Management	Medium	This risk covers the management of asbestos containing materials (ACM) within all County Council buildings through a comprehensive survey programme, database of identified materials and publication of an annual	This risk is well managed and the current controls that have been put in place for mitigation. Further work is currently being undertaken to ensure mitigation

Property Services Risk Register (CRA) 2015-2016				
No.	Risk	Level of Risk	Description of Risk	Performance Level
			asbestos register for every site. Guidance, instruction and training has been developed and updated for property services staff, building users and contractor performance. ACMs were used in construction until 1999 following the introduction of legislation. Many of the County Council's buildings have asbestos material present requiring comprehensive survey and planning before undertaking any invasive work such as refurbishment.	is robust and appropriate.
6	Automatic Doors. powered rollers and shutters and barrier failure	Medium	This risk has increased following a recent serious incident nationally involving powered gates at a school.	This risk continues to be well managed
7	Glazing and Window Safety	Medium	This risk covers all glazing and window safety in the built estate. It covers opening windows, maintenance, protection and suitability of use. Typical risks include a fall from height where opening is unrestricted and glass breaking due to impact and causing injury.	There have been a number of incidents in Schools and HCC currently have an action plan ongoing to reduce the risk..
8	Preventing Structural Collapse	Medium	The built estate has approximately 5500 permanent buildings and 150 temporary buildings. A regular inspection programme of all buildings is undertaken based on risk profile to ensure that all buildings, permanent or temporary, are structurally sound.	This risk continues to be well managed

Property Services Risk Register (CRA) 2015-2016				
No.	Risk	Level of Risk	Description of Risk	Performance Level
9	Construction Activity	Medium	This risk covers the failure to manage CCBS construction activity. The risks include the management of quality assurance process in place related to the provision of Property Services construction activity and information	This risk continues to be well managed.
10	Grounds Management (including Trees and Pesticides)	Medium	This risk covers the range of grounds management and maintenance that Property Services are responsible for including the monitoring of mature trees across the built estate	The embedded controls required to manage the risk remain in place.
11	Pollution and Contamination of Land	Medium	This risk covers the uncontrolled release of pollutants or the mismanagement of contaminated land by previous owner. Main risks relate to fuel oil leaks and spillages across the Estate; and the management of the County Farms Estate including storage of waste and slurry and use of fertilisers/chemicals by Tenants.	Work is ongoing in this area of activity to ensure that the proposed and embedded controls are effective.
12	Mechanical Engineering Services Failure	Medium	This risk covers mechanical engineering plant such as gas appliances, pressurised systems and ventilation systems associated with building services.	This risk is managed well and the controls remain robust.
13	Carbon Management and Sustainability Framework	Low	This risk covers the role CCBS have in the management of the Carbon Management and Sustainability Framework.	Property Services continues to meet the comprehensive controls required.

Property Services Risk Register (CRA) 2015-2016				
No.	Risk	Level of Risk	Description of Risk	Performance Level
14	Lift Failure	Low	This risk covers passenger and goods lifts and plant which are generally located in dedicated lift rooms for HCC Estate.	This risk continues to be well managed.
15	Electrical Services Failure	Low	This risk covers any loss or damage associated with electric shock or short circuit in the built estate associated with the fixed installation and equipment.	The risk is managed well by carrying out a programme of Inspection & Testing of the electrical installations. Any significant defects found are rectified or isolated immediately. Non urgent defects are recorded onto a database and rectified by a contract let for remedial repairs.
16	High Level Access for Maintenance to Plant and/or Building Components	Low	This risk describes the risk of injury by contractors or site staff required to access plant and parts of buildings.	This risk continues to be well managed.
17	Swimming Pool Plant Failure	Low	This hazard covers electric shock, the danger from pool chemicals, and mechanical failure of pool pipe work, filters and/or associated systems.	This risk continues to be well managed.
18	Injury from Hot Surfaces and Hot Water	Low	This risk covers any injury to a person associated with contact with a hot surface relating to heating systems and hot water systems in buildings.	This risk continues to be well managed.