

HAMPSHIRE COUNTY COUNCIL

Decision Report

Committee/Panel:	Buildings, Land and Procurement Panel
Date:	29 March 2018
Title:	Strategic Asset Management – Risk Management Update 2017/18
Report From:	Director of Culture, Communities and Business Services

Contact name: Steve Clow

Tel: 01962 847858

Email: steve.clow@hants.gov.uk

1. Recommendation(s)

- 1.1. That the Panel notes Property Services' current risk management performance and actions in relation to the built estate as set out in this report.

2. Executive Summary

- 2.1. The purpose of this paper is to provide an update on Property Services' approach to the management of risks in the County Council's corporate built estate and maintained schools estate.
- 2.2. This paper seeks to:
 - Confirm the current status of risks associate with the built estate
 - Identify key actions being undertaken to manage and mitigate risks
 - Highlight key issues that are being addressed by Property Services in relation to these risks.

2. Contextual information

- 2.1. The County Council has a legal duty to manage the health and safety requirements in its buildings to ensure that people are not affected by the risks. The County Council's corporate risk register contains a number of specific risks associated with the management of health and safety in the corporate built estate and maintained schools.
- 2.2. The legal duty is met by both Property Services, which is responsible for the infrastructure of the buildings, and by the building occupiers through their local facilities management arrangements (e.g. school managers, departmental building managers and Property Services Facilities Management team).

- 2.3. Property Services discharges its duties within the County Council's strategic risk management framework which is based on best practice and national approved guidance (ISO 31000:8009 and HSG65 Successful Health and Safety Management), in conjunction with the departments Head of Risk and Safety.
- 2.4. The corporate risk assessment programme requires an annual assessment of each of the identified risks by the end of August each year. The risk assessment for the built estate risks is undertaken jointly by Property Services' officers and the departments Head of Risk and Safety.
- 2.5. All risks are allocated an overall status of low, medium, high or very high based on a risk score determined from an assessment of the potential severity of the potential impact(s) and the likelihood of the impact(s) occurring. Where a risk is assessed as medium, high or very high, additional control measures must be considered to evaluate whether the risk can be lowered. It is not always the case that additional controls will reduce the score further. Where further controls are required, an action plan is developed. Where necessary, an individual risk will have a business continuity and resilience plan in place as part of the overall mitigation.
- 2.6. Property Services undertakes actions to manage and mitigate the risks in line with the relevant corporate policy and statutory legislation and guidelines. To support the risk management approach, the buildings and assets within the corporate and education estate have been profiled to determine the relative level of risk in relation to the risk areas, taking account of form of construction, condition and operational use.
- 2.7. The risk profile of individual assets within the estate ensures that actions undertaken by Property Services, including the annual programme of surveys, inspections, maintenance and condition improvement works is targeted to achieve the maximum benefit in terms of risk management and reduction.
- 2.8. Any changes in legislation or guidelines, corporate policy or the occurrence of specific events (within or external to the County Council), will focus attention on the specific areas of risk affected. Recent examples that have driven a review of the County Council's risk management policy, procedures and action plans include the introduction of The Approved Code of Practice: Legionnaires' disease (L8 Fourth Edition 2013), the changes to sentencing guidelines that emerged in 2016 that placed increased emphasis on exposure to risk rather than just the outcome of the risk and, most recently, the fire at Grenfell Tower in June 2017. Further information on the actions that Property Services is taking in relation to these is provided in section 4 of this report.

3. Finance

- 3.1. A detailed programme of expenditure for 2017/18 was reported to the Panel and approved by the Executive Member for Policy and Resources in April 2017. The proposed programme of expenditure for 2018/19 is set out in the

separate 'Managing Hampshire's Built Estate' report elsewhere on this Panel's agenda.

- 3.2. Expenditure is determined by consideration of the available repairs and maintenance budgets for the corporate and schools estate and Property Services' professional assessment of the priorities in relation to risk management and condition liabilities. Where additional funding is approved to address specific issues, this is incorporated into the planned programme of works.
- 3.3. The financial approach represents the optimum position to enable compliance with statutory requirements balanced with essential maintenance replacement. Funding is directed to address the highest known priorities for health and safety risks as defined and in the strategic risk register.
- 3.4. It should be noted that with a total liability of over £400m across schools and the corporate estate, the available funding falls short of the overall condition liability for repairs and maintenance. This means that not all risks associated with the built estate can be eliminated. The condition assessments and corporate risk assessments approach continue to inform sound investment decisions for the build estate targeting effective risk management and risk reduction.
- 3.5. Table 1 identifies the allocation of funding to each area of risk over the last three years.

Table 1 Repairs & maintenance funding allocated to corporate risk areas

Area of Risk	2015/2016 (outurn) £'000	2016/2017 (outurn) £'000	2017/18 (forecast) £'000
Condition of Building Fabric	18,545	17,605	13,544
Mechanical Services Management (failure)	5,251	5,745	7,008
Fire Management and (arson) Prevention	504	504	1,128
Electrical Services Management(failure)	4,149	4,150	2,292
Management of Asbestos	591	591	959
Structural Condition	321	321	1,176
High Level Access to Plant	56	56	34
Management of Legionella	670	278	1,016
Other Priorities	1,042	1,030	795
CRA Contingency	168	168	-
Total	31,297	30,448	27,952

4. Performance

- 4.1. In 2017/18 there are fifteen risks on the Property Services risk register. Four of these risks are corporate cross cutting risks for which Property Services is the lead owner. The remaining eleven risks are categorised as operational risks.
- 4.2. This includes the Management of Asbestos risk for which the lead owner is the Asbestos Management Service within the CCBS department, and Property Services plays a key role.
- 4.3. A summary of the outcomes of the risk assessments undertaken in August 2017, including Management of Asbestos, is provided at Appendix 1.
- 4.4. Three risks, Condition of Building Fabric including Vandalism for both the non education and education estate and Fire including Arson Prevention were assessed as high.
- 4.5. Of the remaining twelve risks, nine were assessed as medium risk, including Management of Asbestos, with the remaining three risks assessed as low.

High Risks

Condition of Building Fabric – Education and Non Education

- 4.6. Two of the risks with a 'high' status relate to the condition of the building fabric including vandalism for the non education and education estate, which includes hardstanding and drains but excludes plant and services. The level of risk is driven by the assessment of the overall financial level of the condition liabilities within the estate and in the latest risk assessment this has led to an increase from medium to high for the level of risk in the education estate.
- 4.7. Property Services continues to invest in condition improvement and risk mitigation works for both the non education and education estate within the allocated revenue and capital funding budgets and in line with the identified risk profile and condition priorities. However, funding continues to be under considerable pressure due to national spending cuts and the scale of emerging school revenue budget pressures. The proposed programme of works for 2018/19 is set out in the separate 'Managing Hampshire's Built Estate' report to the Panel elsewhere on this agenda.

Fire including Arson Prevention

- 4.8. The level of this risk remains 'high' following the 2017 risk assessment. Property Services has continued to invest in surveys and physical fire precautions work across the education and non education estate to comply with a risk assessed approach as required under the Regulatory Reform (Fire Safety) Order 2005 (FSO). Successful fire safety management under the FSO relies on a combination of physical fire precaution measures and robust local fire safety management which is the responsibility of the building occupiers through their local facilities management arrangements.
- 4.9. Property Services' management of fire and arson risk is supported through the Fire Safety Partnership with Hampshire Fire and Rescue Service (HFRS). Working with HFRS, Property Services has established a fire risk

profile for all buildings across and the prioritisation of actions and investment by Property Services to improve the physical measures in the buildings.

- 4.10. Maintenance of local management standards are supported through accredited Fire Safety Management and refresher training courses that are delivered to schools and local building managers across the corporate estate. This training supports the occupiers of buildings to manage their duties through robust local fire safety management arrangements.
- 4.11. The catastrophic events at Grenfell Tower in June 2017 and subsequent ongoing investigations have raised many questions at a national level relating to both fire safety management and construction standards, including regulations, materials used and the quality of construction. This is reinforced by the findings of the Independent Review of Building Regulations and Fire Safety: interim report "Building a Safer Future" by Dame Judith Hackitt (published in December 2017).
- 4.12. Although the review focuses on "high rise residential buildings", with the final outcomes not yet known, there has been an increased focus on the approach to fire safety within HCC's education and non education buildings since June 2017.
- 4.13. In response to these events, Property Services has undertaken a number of additional activities since June 2017. These include:
 - a) A thorough desk top review of our buildings to confirm that they meet the required standards. The review highlighted that Aluminium Composite Materials (ACMs) had been use in small areas on only 4 school buildings, and as the main cladding material on 1 small single storey building. All the panels were specified to meet the current regulations and with regard the single complete clad property, a further assessment was undertaken with Hampshire Fire and Rescue Service and concluded no remedial works were required. It should be noted that the buildings with ACMs are all low rise properties, without any residential or sleeping risk. Due to the perception around ACMs, and pending final recommendations form the Grenfell Tower investigations, Property Services also took the decision to no longer specify ACMs on future projects.
 - b) Additional surveys of the physical fire precautions at a significant number of buildings with a higher fire risk profile including 139 SCOLA school buildings and 17 elderly residential care homes resulting in a programme of improvement works which is currently being implemented.
 - c) Working closely with the corporate and departmental health and safety teams and Children's Services officers to ensure that there is clarity on roles and responsibilities, robust co-ordination of physical fire precaution measures with the local fire safety management arrangements for schools and the corporate estate and agreement on the prioritisation of actions to be taken in relation to mitigation of fire and arson risks.
- 4.14. Property Services also continues to monitor the ongoing Grenfell Tower investigations and publish information. We await the final outcome of the Hackitt review due in the spring of 2018, when we can assess any further

proposed recommendations relating to the wider remit of the review. In anticipation of some changes to requirements, additional funding for fire improvement works has been identified in the 2018/19 repair and maintenance programme as set out in the separate Managing Hampshire's Built Estate report elsewhere on this agenda.

Key Medium Risks

Legionella Management

- 4.15. Property Services continues to follow the strategy for managing legionella risk that was agreed by the County Council in 2013. A substantial improvement programme to the physical infrastructure was put in place at the time alongside robust systems and processes that responded to the legal requirements set out in the approved code of practice (L8 Fourth Edition 2013).
- 4.16. This included completion of technical risk assessments (TRAs) to identify required improvements to the physical infrastructure which have been undertaken through an ongoing programme of works. Additional funding approved by Cabinet in October 2017 as part of the medium term financial strategy, means that the remaining improvement works identified through the TRAs will be completed by Spring 2018 alongside additional capital investment to install a comprehensive system of temperature monitoring points throughout the corporate and community schools estate.
- 4.17. The TRAs also identified opportunities to improve the on-site management activities to ensure compliance and a training and awareness programme has driven improvements in this area.
- 4.18. To further improve the management of site based activities and to ensure greater compliance monitoring, an on-line legionella data management and reporting system is being procured and implemented to replace the current paper based log-book system across both the corporate and schools estate.

5. Consultation and Equalities

- 5.1. It is considered that the current risk management and mitigation actions set out in the report has no impact on groups with protected characteristics.

6. Other Key Issues

The recent attention on legionella and fire risk management has identified a number of cross-cutting issues and actions that Property Services is now focusing on to ensure the robustness of its risk management processes and procedures.

Co-ordination with local building management

- 6.1. Officers within Children's Services are currently reviewing the approach to the governance of health and safety management within maintained schools in response to the current context of increased delegation of revenue budgets to schools, the associated devolved responsibilities for

management of school buildings, the County Council's retained responsibilities as landlord and increasing school revenue budget pressures.

- 6.2. Property Services is working closely with Children's Services to clarify roles and responsibilities in relation to risk management and to strengthen the liaison and communication that underpins the co-ordination of physical precautions and mitigation measures and local management actions.
- 6.3. Similar discussions are taking place with other departmental health and safety teams in relation to risk and health and safety management within the corporate estate.

Increased use of digital technology

- 6.4. Following the decision to implement an on-line Legionella data management and reporting system as identified in paragraph 4.22 above, Property Services is reviewing the opportunities to deliver improvements across other areas of risk management through use of digital technology, in conjunction with the corporate and departmental health and safety teams.

Review of processes and procedures

- 6.5. Property Services is undertaking a review of its internal processes and procedures that support the identification and completion of remedial and improvement works to identify any improvements that can be made and provide assurance that works have been completed to the appropriate quality standards.

7. Future direction

- 7.1. During 2018/19 Property Services will continue to work closely with the corporate and departmental risk, health and safety teams to review and improve the joint approach to management of risks in both the corporate and schools built estate. This will include ensuring that the roles and responsibilities of Property Services and local building managers are clear and understood and that there are appropriate channels through which relevant information can be shared.
- 7.2. Property Services will also continue to review its own internal processes and procedures to ensure that these remain robust and to identify opportunities for improvement and modernisation, particularly through the deployment of digital technology.
- 7.3. Once the final outcome of the Hackitt review into the fire at Grenfell Tower is published, we will work with the corporate and departmental risk, health and safety teams to assess the impact of any recommendations on HCC's estate and make recommendations on whether additional improvement works or changes to the risk management approach are required.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	no
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	no

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> 'Managing Hampshire's Built Estate' report to BLPP and EMPR	<u>Date</u> 29 March 2018
Direct links to specific legislation or Government Directives	
<u>Title</u> N/A	<u>Date</u>

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.)

DocumentLocation

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:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) 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:

See guidance at <http://intranet.hants.gov.uk/equality/equality-assessments.htm>

*Inset in full your **Equality Statement** which will either state*

- (a) why you consider that the project/proposal will have a low or no impact on groups with protected characteristics or*
- (b) will give details of the identified impacts and potential mitigating actions*

2. Impact on Crime and Disorder:

2.1. Some of the programmes support the strategy for crime and disorder including risk management actions to reduce the likelihood of arson and vandalism.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

Some of the works undertaken to mitigate or minimise risks include replacing building fixtures with more efficient fittings to reduce energy consumption.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Planned programmes associated with the management and mitigation of risks will take account of adaptation to climate change through ensuring appropriate resilience of buildings and infrastructure to potential climate change impacts such as flooding.

Appendix C: Property Services Risk Register

No	Name	Description of Risk	Level of Risk	Description of Risk Performance Level
1.	Condition of Building Fabric including Vandalism – non Education	Risks associated with the condition of the building fabric (excluding plant and services) of HCC corporate operational buildings including risk of injury to persons and potential to impact on operational service delivery.	HIGH	Although this risk has many challenges, there are a number of ongoing controls that are consistently in place to support mitigation of this risk. Condition liability and pressures remain challenging. Work is ongoing to review and address high risk building elements through the annual repairs and maintenance programme.
2.	Condition of Building Fabric including Vandalism – Education	Risks associated with the condition of the building fabric (excluding plant and services) of school buildings including risk of injury to persons and potential to impact on operational service delivery.	HIGH	Ongoing controls are in place to support mitigation of this risk but the existing condition liability and increasing revenue budget pressures present significant challenges. SLA and JWA arrangements with schools and academies give clearly defined roles and responsibilities and there is ongoing work with Children's Services to ensure that these are well understood. Work is ongoing to review and address high risk building elements through the annual repairs and maintenance programme.
3.	Fire including Arson Prevention	Risks associated with injury to persons or damage to property as a result of fire and arson. Property Services have a duty to offer advice; the duty to discharge duties lies with the occupier.	HIGH	A wide range of controls remain in place and provides a good level of mitigation. A strategy for arson reduction continues to be in place and is reducing the risks in schools. Following the fire at Grenfell Tower additional work has been undertaken with the corporate and departmental health and safety teams to ensure there is a clear understanding of roles and responsibilities as set out in the corporate policy; review physical fire precautions at buildings with a higher risk profile and audit Property Services internal processes to confirm these are robust.
4.	Management of Asbestos	Risks associated with any failure to manage asbestos containing materials (ACM) within all County Council and maintained schools buildings.	MEDIUM	All of the identified controls remain in place. There is now a published corporate procedure for Asbestos Management and additional training was delivered to Property Services staff during 2017. There is an increased focus on opening up more before planned refurbishment and demolition work to minimise disruption to construction projects and the risk of asbestos disturbance. Asbestos Management software is being updated

Appendix C

No	Name	Description of Risk	Level of Risk	Description of Risk Performance Level
				to reduce resilience risks and improve web access to asbestos data.
5.	Management of Legionella	Risks associated with the potential for Legionella colonisation and distribution in domestic water and open systems.	MEDIUM	Additional controls are set out in the agreed improvement plan which is being actively progressed with remedial works identified from the TRAs due to be completed in Spring 2018 and additional funding confirmed for installation and monitoring of a comprehensive system of temperature measuring points throughout the corporate and schools estate. This includes procurement and implementation of an on-line data management and reporting system.
6.	Management of automatic doors, powered gates, powered roller shutters and barriers	Risk of injury to persons from automatic and powered gates, roller shutters and barrier failure due to lack of maintenance or design shortcomings.	MEDIUM	Adequate controls remain in place which include defined design and installation standards and proactive maintenance of installations carried out by property Services. A programme of works is in place on a priority basis for existing installations to improve safety.
7.	Failure to Manage Property Services construction activities.	Risks associated with any failure to manage Property Services' construction activity.	MEDIUM	All changes to processes, procedures and monitoring required following the change to legislation and the new corporate procedures for CDM are now fully embedded. Ongoing controls include robust selection and procurement processes and good monitoring and auditing of contractors on site.
8.	Management of Mechanical Engineering Services	Risks associated with failure of mechanical engineering plant and equipment typically located within plant rooms, but also distributed through buildings. This includes discreet areas such as oil, gas, LPG and pressure systems. Statutory inspections for LEV are the responsibility of the local manager.	MEDIUM	There are a number of ongoing robust controls in place which includes a programme of planned upgrade and replacement works and term contracts for cyclical and reactive maintenance. Work is in progress to transfer plant records to the PAMS database with associated improvements in data quality, monitoring and exception reporting.
9.	Management of Trees	Risk of injury that may occur from tree failure, either in part or full, due to disease, age, fungal attack or storm.	MEDIUM	There are a number of well established controls in place that ensure full compliance with statutory requirements. Inspections are set appropriately for the level of risks related to the tree. Property Services is reviewing the benefits of aligning with the Countryside CAMS reporting system.
10.	Pollution and Water Contaminated Land	Risks associated with the uncontrolled release of pollutants or the mismanagement	MEDIUM	Ongoing work continues to ensure that the identified controls remain embedded and the risk continues to be well managed.

Appendix C

No	Name	Description of Risk	Level of Risk	Description of Risk Performance Level
		of contaminated land. Principal risks relate to oil leaks and spillage in the corporate and schools estate.		
11.	Window and Glazing Safety	This covers the risk of significant injury to people or a failure to keep an operational building safe or open due to failure of the glass or windows /doors in building. Property Services role in this area of risk is limited to the provision of information and technical advice including condition information repairs and maintenance. Carry out condition surveys and completed remedial works. The preparation of completed glazing risk assessments sits with the responsible manager and FM for FM managed buildings.	MEDIUM	A number of improved controls have been in place since 2016 although further work is required to complete surveys in the corporate Estate. Controls include sharing of outputs from the glazing surveys and guidance for managements of glazing in buildings. An ongoing programme of planned improvement works continues to target premises in the poorest condition.
12.	Preventing Structural Collapse and Temporary Buildings	This risk relates to the failure of key load-bearing elements of a building or structure, e.g. floors, roofs, walls, columns, posts, beams, foundations, etc. and certain non-loadbearing elements, e.g. chimneys over two metres high, free standing or retaining walls above one metre in height, lighting grids, etc., or loss of stability leading to potential or actual collapse, that may result in personal injury or operational loss of the building or structure.	MEDIUM	There are a number of embedded controls that help mitigate the level of risk, including a structure inspection programme and remedial repairs. Additional reviews are undertaken where higher risk buildings are identified. Monitoring of works is good.
13.	Hot Surface and Water Injury (risk from failure of plant)	Property Services is responsible for ensuring that the appropriate engineering controls are provided across the estate to comply with legal requirements to ensure that the risk to vulnerable uses of scalding from hot water or burning from hot surfaces is mitigated. The day to day management of hot surfaces is the responsibility of the local	LOW	Property Services uses agreed guidance procedures and risk assessment templates to ensure compliance with legal requirements. A number of engineering controls are in place to manage water and surface temperatures. A corporate policy update is planned and this is linked to the Legionella improvement plan.

Appendix C

No	Name	Description of Risk	Level of Risk	Description of Risk Performance Level
		manager at each site.		
14.	Lift Failure	This risk covers passenger and goods lifts and plant associate to HCC built estate and /or activity related to services business. The risk is predominantly connected to injury of persons using the lift. It includes platform lifts and stair lifts installed for building occupiers.	LOW	There is regular monitoring of ongoing controls to ensure the risk remains low. Further work is required to identify high risks including public accessed areas, libraries, museums and schools where pupils are unescorted. This risk continues to be well managed.
15.	Electrical Services Failure	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. It considers the minimum legal requirements across the built estate and fulfils its obligations where schools buy back SLA fixed wiring inspections.	LOW	This risk continues to be well managed with a number of embedded controls that reduce the level of risk. This includes a testing and inspection regime undertaken through a term contract arrangement with a database to support record management and remedial works.