**Report of Corporate Asset Manager**

**To**

**GOVERNANCE AND STANDARDS COMMITTEE**

**On**

**17 March 2021**

# **STRATEGIC RISKS AND OPPORTUNITIES REGISTER**

# **RISK 4 - IMPROVEMENT ACTIONS UPDATE**

##### **SUMMARY**

1.1 Members at the meeting of the Governance & Standards Committee on 17th February 2021 considered a report on Strategic Risks and requested a specific update on Risk 4 – Ineffective management of Non-HRA Council Buildings. A revised Table 1 attached Appendix 1 details the current position for implementing the approved improvement actions contained within the Council’s Strategic Risks and Opportunities Register.

#### **2 RECOMMENDATION**

1. That the position set out in Table 1 at Appendix 1 for implementing the improvement actions within the Strategic Risks and Opportunities Register be noted

##### **BACKGROUND**

3.1 In order to provide assurance that the Council continued to have effective corporate risk management arrangements in place, the existing Strategic Risks and Opportunities Register was reviewed in August 2020 to ensure that it was up to date and accurately reflected the impact of the pandemic on the Council.

3.2 The Corporate Assurance Manager met with the allocated strategic risk / opportunity owners and relevant senior managers in order to review the existing key controls and enablers and to re-score their current effectiveness in accordance with the definitions stated below:

0 - Totally ineffective

1 - Partly effective

2 - Mainly effective

3 - Fully effective

3.3 The following parameters were used to determine the overall level of effectiveness:

High - Greater than 80%

Medium - 50 – 79%

Low - Less than 50%

3.4 Existing actions for improvement were re-assessed and amended accordingly.

3.5 From this exercise one high risk area as detailed below was identified for which further information and clarity was requested:

“Risk 4: Ineffective management of Non–HRA Council Buildings”

3.6 It is important that the implementation of the improvement action is effectively monitored, particularly in respect of the high risk area to ensure that strategic risks are minimised and strategic opportunities maximised.

3.7 The Improvement Actions have been scored by the Head of Planning & Regeneration, together with the Corporate Asset Manager and Corporate Assurance Manager using the effectiveness matrix in 3.2 and as a consequence identified as high risk.

3.8 The risks identified are primarily in relation to statutory compliance in all operational buildings, together with ensuring all assets are adequately maintained and fit for purpose. In order to achieve this objective asset condition surveys are required for all properties to assess their condition and level of maintenance. The information from the surveys will be used to identify repairs and maintenance issues and prioritise the planned preventative works programme (PPW) as part of the General Fund Capital Programme.

3.8 The original timescales for completing the actions have slipped due to reduced staff resources within the Facilities Management team, together with the additional workload as a result of corporate related Covid-19 matters.

#### **4 OPTIONS AVAILABLE**

4.1 The option available is to note the current position as detailed in Table 1 in Appendix 1 for implementing the approved improvement actions contained within the Council’s Strategic Risks and Opportunities Register.

**5** **RISK ASSESSMENT OF RECOMMENDATIONS AND OPTIONS**

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| --- | --- | --- | --- |
| **Risk** | **Risk Assessment** | **Risk Level** | **Risk Management** |
| Legal | There are potential legal risks to the Council if it does not have effective risk management arrangements | Medium | Effective management of the Council’s strategic risks and opportunities are a key element in delivery of its Corporate risk and opportunity management strategy |
| Financial | There are potential financial risks to the Council of either significant unplanned expenditure or unrealised income generation opportunities if it does not have effective risk management arrangements | Medium | Effective management of the Council’s strategic risks and opportunities are a key element in delivery of its Corporate risk and opportunity management strategy |
| Reputation | There are potential reputational risks to the Council if it does not have effective risk management arrangements | Medium | Effective management of the Council’s strategic risks and opportunities are a key element in delivery of its Corporate risk and opportunity management strategy |

#### **6 ALIGNMENT TO COUNCIL PRIORITIES**

6.1 The need to maintain effective risk management arrangements is fundamental to the Council as it endeavours to achieve its priorities.

6.2 In accordance with asset management best practice, the Council has to ensure its land and property assets are used effectively, are fit for purpose and are adequately maintained.

#### **7 IMPLICATIONS**

(a) Relevant Legislation

Regulation 3 of the Accounts and Audit Regulations 2015 specifically requires that a relevant authority must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk.

(b) Human Rights

The Human Rights Act 1998 is not engaged as no particular individual is directly affected by the decision.

(c) Equality and Diversity

An initial impact assessment has been completed and it concludes that the proposed actions are fair and equitable in their content and are not discriminative on the grounds of equality and human rights.

(d) Climate change and environmental sustainability

The proposed actions in the report do not have any environmental implications and have no effect on the climate.

(e) Crime and Disorder

There are no implications for crime and disorder

(f) Budget/Resource

The cost of asset condition surveys is identified within the current General Fund Capital programme, together with the existing PPW programme based on previous surveys and reports where available. The cost of any future PPW works identified through asset condition surveys will be considered as part of the annual review of the General Fund Capital Programme.

**8** **COMMENTS OF STATUTORY OFFICERS**

Monitoring Officer – No specific comments.

Section 151 Officer – No specific comments.

**9 CONSULTATION**

9.1 None

**10 BACKGROUND PAPERS**

None

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