

# PRUDHOE TOWN COUNCIL

## FINANCIAL AND MANAGEMENT RISK ASSESSMENT

This risk assessment systematically examines the risks associated with progressing towards a Community Asset Transfer of Prudhoe East Centre from Northumberland County Council.

The risk rating balances the likelihood of a given risk with impact of the risk in question and results in an overall risk rating, as well as a RED (not acceptable), AMBER (reasonably acceptable/action may be required), GREEN (reasonable acceptable/no action required, review) colour indication.

18<sup>th</sup> July 2018

20<sup>th</sup> December 2018 (updated)

24<sup>th</sup> June 2019 (altered and updated in view of Council's present decisions)

		Likelihood			
		1 Unlikely	2 Possible	3 Probable	4 Highly Probable
Impact	1 Minor				
	2 Moderate				
	3 Serious				
	4 Major				



Prudhoe

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TOWN COUNCIL

SUBJECT	Impact	Likelihood	Risk Rating	Controls Discussed	Additional Controls required
<b>FINANCIAL</b>					
The costs to renovate the East Centre are more than anticipated +£50,000	2	3	6	<p>The Council has £50,000 in an Asset Reserve Fund this year (2019-20) and could add to this figure in 2020-21.</p> <p>A full building survey has been commissioned by an independent surveyor, on behalf of the Council, in addition to the survey carried out on behalf of Northumberland County Council.</p>	<p>The Town Council could agree to increase the precept over one year or numerous years, with work scheduled accordingly.</p> <p>The Town Council could also consider applying for a Public Works Loan to mitigate against any sharp rise in the precept, but would need to have a proper business plan and evidence of public support prior to applying.</p>
Running costs for the East Centre and former Adult Learning Building exceed any potential income that could be derived.	3	2	6	<p>The Town Council would have to increase the budget and in turn precept, to cover all costs associated with the maintenance and upkeep of the buildings.</p> <p>The space could be configured to allow more than one organisation to use the building bringing in income and allow flexible use of space.</p> <p>Northumberland Citizens Advice is keen to share the space but at community rent.</p>	<p>The RFO would be responsible for ensuring value for money on all utilities and for energy efficiency.</p> <p>A feasibility study that then informs any potential business plan would identify the potential income stream to cover the costs associated with upkeep.</p> <p>Community Groups, etc. required to book in advance.</p> <p>The Town Council employ someone to market the space available so that it is fully utilised at all times by and for the community.</p>
<b>HEALTH &amp; SAFETY</b>					
Accident within the grounds or buildings of the East Centre	3	2	6	<p>Everyone on-site working within the parameters of the Health and Safety at Work Act 1974. Risk Assessments kept up-to-date.</p> <p>Town Council to ensure that the required number of First Aid and Fire Warden trained personnel are on-site when the building is in use.</p>	<p>All users to have induction which would include Health and Safety, Fire Safety and First Aid measures in place.</p> <p>The Town Council employ caretaker/maintenance person who would be responsible for carrying out regular inspections.</p>

				Public liability insurance in place.	
Loan Working	3	2	6	Loan Worker policy in place.	Additional training in the area of lone working.
<b>TIME/SCHEDULE</b>					
Following the agreement to transfer the building, plans do not commence in a timely manner	4	2	8	Use professional persons at all times to carry out feasibility study, business plan and any design work to ensure professional indemnity.	Commence procurement exercise to engage suitably qualified professionals.
<b>SITE SPECIFICS</b>					
Neighbours	3	1	3	Residents to the rear of the property will experience some disruption but the Town Council will communicate at the earliest opportunity their plans.  The buildings have been in a state of disrepair for a long time and neighbours are expected to be positive about changes.	Include neighbours and the community at all stages of the development.  Ensure transparency in decision making process.  Celebrate changes and include a programme of PR exposure.
<b>REPUTATION</b>					
Finished building does not meet the expectations of the community	3	2	6	Set up users group at the earliest opportunity to find out the needs in respect of community space.	Find ways to engage with members of the public to manage expectations and create community ownership of the project.
Contractors fail to meet agreed standards of working	3	1	3	Procurement exercise will be very tightly operated.	Appoint a project manager.
Precept has to be increased substantially to cover professional, building and maintenance costs – potential negative response from the community	2	4	8	An increase in the precept is a given, the controls available are due diligence to keep spending under control and on-going dialogue with the community.	Work with another to allow greater access to funding for the project.  Seek support from the community from the outset, create a vested interest in the project.

The East Centre project is all-consuming of members and officers resulting in time not spent on other matters	3	2	6	A feasibility report would inform a business plan if 'feasible'.	Ensure consultation, engagement and resulting public support.  The Council could employ a project manager or similar.  Set strict timescales and action plan.
<b>GOVERNANCE</b>					
Freehold Asset Transfer not achieved	4	2	8	The Town Council is best placed to take on a freehold asset transfer of this community building.  If a Freehold Transfer is not possible the council could reconsider involvement and allow another to take this forward.	Public consultation to ensure public support for plans that would involve an increase in the Town Council budget/precept.
The Town Council cannot trade or compete with other businesses or community groups in the town	4	2	8	Town Council should be the facilitator but not responsible for running the East Centre as restrictions on trade would diminish income generation.  Hiring out rooms could be seen as trading as could any café.	Trade and the implications for the recovery of VAT are very tricky for a council and where possible the council should seek to be separate.
The Town Council agrees to early aspects of the project but risks a majority not being achieved as plans progress	4	4	16	The CAT of Prudhoe East Centre is a long-term project that requires a long-term commitment. The Council may achieve a majority to proceed with a Feasibility Report, but further decisions will need to come back to the Council prior to the conclusion, i.e. consulting the public, applying for a loan, raising the precept – all will require the formal agreement of the Council. Previous decisions have been changeable and with a slim majority which runs the risk of subsequent approvals not achieving support.  Council elections take place in 2021.	Agree plans to proceed based on public consultation and with overall majority support of the Council.  Councillors would be less inclined to vote against plans that have support from the constituents they represent.