

Options Analysis and Risk Profile: Philip Street Communities and Families Precinct

Option 1 – Relocate Council’s Community Development and Engagement function and services to the Philip Street Communities and Families Precinct and assume all functions of management. Establish a formal Advisory Committee to provide guidance to Council on the management of Philip Street.

That Council:

- Note, Council’s Engagement & Partnerships team will relocate to the Philip Street Communities and Families Precinct (the Precinct) to provide operational and facility management and the continued delivery of its existing programs.
- Endorse the establishment of an Advisory Committee consisting of key stakeholders and community members to inform future strategic direction, service activity and infrastructure development, and to connect the community to the Precinct
- In collaboration with The Salvation Army, undertake an Expression of Interest process calling for human and social services providers with interest in delivery and co-location at the Precinct.

Health, Safety and Wellbeing	Financial	Reputation	Environment	Regulatory & Legal	Service Delivery
<ul style="list-style-type: none"> Due to the nature of some services likely to be offered at the Precinct, there is a risk to Council Officers, occupants and visitors being exposed to behaviours and conditions leading to physical or psychological injury. Due to relocation of office equipment there is a risk to Council staff undertaking manual handling leading to physical injury. <p>Consequence: Minor Likelihood: Possible Level of Risk: Medium</p> <p>Controls</p> <ul style="list-style-type: none"> Council health and safety policies, corporate standards and workplace practices will automatically be applied to occupancy of the site. Design and set up new workplace, health and safety processes, procedures and work practices required. 	<ul style="list-style-type: none"> Due to limited revenue opportunities (hirer/rental and leasing income) at the Precinct, there is a risk of significant medium to long term asset management cost to Council leading to a need to increase revenue (rates) for maintenance of the newly acquired assets including roads, buildings, park and open space facilities. Due to the nature of some services to be offered at the Precinct there is a risk of property damage leading to high than expected maintenance costs. Due to Council occupying a large portion of available office space, there is reduced capacity to lease to service providers, reducing cost recovery. <p>Consequence: Minor Likelihood: Likely Level of Risk: Medium</p> <p>Controls</p> <ul style="list-style-type: none"> Requires a nominal increase to operational budget with service and management functions absorbed using existing resources. There will be a one-off cost association with relocating staff and setting connection to Council network. 	<ul style="list-style-type: none"> Due to Council occupying a large portion of available office space, there is reduced capacity for service providers seeking co-location of services leading to dissatisfaction, political influence/advocacy to initiate change. <p>Consequence: Negligible Likelihood: Likely Level of Risk: Medium</p> <p>Controls</p> <ul style="list-style-type: none"> Office space also available within The Salvation Army leased and operated buildings. Council in partnerships with The Salvation Army will be undertaking an Expression of Interest process to determine the level of interest in co locating at the precinct. Determination of services will be based on alignment to community needs identified. 	<ul style="list-style-type: none"> Due to the nature and anticipated use of elevated outdoor spaces at the Precinct, there is a risk of inclement weather events resulting in excessive overland water leading to erosion of the built and natural environment. Council will need to increase levels of site management to prevent environmental impact. <p>Consequence: Negligible Likelihood: Rare Level of Risk: Low</p> <p>Controls</p> <ul style="list-style-type: none"> There have been significant engineering solutions constructed to mitigate any likelihood of overland and stormwater to impact on the Precinct infrastructure and surrounding environment. Council will maintain regular asset condition assessments to ensure controls are effective and level of service upheld. A facility maintenance program will be developed for the Precinct. 	<ul style="list-style-type: none"> Due to relocation of Council's community development and social services to the Precinct, there is a risk that the externally funded intent for ongoing community access/use of the Thiess Meeting Room will not be met leading to possible legal compliance made by the funder on Council. Due to members of the public frequenting the Precinct, there is a risk of a member of the public incurring an injury on-site leading to compensation claims. <p>Consequence: Negligible Likelihood: Unlikely Level of Risk: Low</p> <p>Controls</p> <ul style="list-style-type: none"> No change to regulatory or legal obligations. All decision-making functions remain with Council. Proposed advisory group limited to advise/inform capacity. No impact/change to Council reporting activity. 	<ul style="list-style-type: none"> Due to the relocation of the Engagement and Partnerships section to the precinct, there is a risk of temporary disruption of community engagement center services during the relocation period resulting in community dissatisfaction. Due to relocation of Council’s community development and social services to the Precinct, there is a risk that relocation of remaining Council Officers at the Community Engagement Centre cannot be accommodated in other Council buildings, restricting options to repurpose the building for alternative use. Due to the nature of some services to be offered at the Precinct, there is a risk of disruption to Council services because of unacceptable behaviour or conduct requiring the lockdown of the Precinct to prevent physical or psychological injury. <p>Consequence: Negligible Likelihood: Possible Level of Risk: Low</p> <p>Controls</p> <ul style="list-style-type: none"> Communication Plan developed and implemented to redirect community from current location to the Precinct once operational. Once set up at Precinct. Largely BAU for delivery of Councils program and services to the community.

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Option 2 – Engage a Lead Agency to undertake full service and facility management of the Precinct					
That Council:					
1. Authorise the Chief Executive Officer to:					
I. Undertake procurement for a suitability qualified service provider in service and facility management for the Philip Street Communities and Families Precinct					
II. Negotiate the terms and conditions of a management agreement/lease to undertake the service.					
Health, Safety and Wellbeing	Financial	Reputation	Environment	Regulatory & Legal	Service Delivery
<ul style="list-style-type: none"> Due to the nature of some services likely to be offered at the Precinct, there is a risk to occupants and visitors being exposed to behaviors and conditions leading to physical or psychological injury. Due to outsourcing of service and facility management functions to a Third Party, there is a risk that a Lead Agency may have inadequate management practices and controls to meet health and safety standards. This could lead to compensation claims and reputational impacts on Council. <p>Consequence: Minor Likelihood: Possible Level of Risk: Medium</p> <p>Controls</p> <ul style="list-style-type: none"> As part of the tender process, Council will seek submissions that can demonstrate adequate ability to develop and implement health and safety policies, standards and workplace practices to be considered for the Lead Agency contract. Health, safety and wellbeing measures will form part of conditions of management agreement negotiated 	<ul style="list-style-type: none"> Due to limited revenue opportunities (hirer/rental and leasing income) at the Precinct to cover cost of service delivery and facility management functions, there is a risk that a Lead Agency will require payment of disproportionately high management fee and negotiated operating and maintenance cost leading to an increase investment to maintain existing social and community development and advisory services. Due to limited revenue opportunities (hirer/rental and leasing income) at the Precinct, there is a risk of significant medium to long term asset management cost leading to a need to increase revenue (rates) for maintenance of the newly acquired assets including roads, buildings, park and open space facilities. <p>Consequence: Minor Likelihood: Almost Certain Level of Risk: Medium</p> <p>Controls</p> <ul style="list-style-type: none"> This option is consistent with other fee for service arrangements in place for Council owned community assets (e.g. Aquatic Centre). Management fee can be reduced by Council agreeing to undertake all facility management of buildings, common areas and parkland and public amenities. Agreed facility and maintenance conditions will form part of conditions of Management Lease Agreement. CD&E remain at current location with limited interruption to function or service delivery. Only council operated/externally funded services and interagency meetings to relocate (e.g. Neighborhood Centre Program Program) 	<ul style="list-style-type: none"> Due to limited community understanding of the service arrangement between Council and a Lead Agency. The actions, performance and conduct of a Lead Agency could be seen to be endorsed by and representative of Council leading to customer dissatisfaction. Due to the project partner arrangements to secure funding for development of the Precinct, there is a risk that a Lead Agency may operationally conflict with the Salvation Army on management objectives resulting in early termination of partnership objectives with Council and termination clauses enacted. <p>Consequence: Minor Likelihood: Unlikely Level of Risk: Low</p> <p>Controls</p> <ul style="list-style-type: none"> Lead Agency will be conditioned to collaborate with Council and the Salvation Army to undertake an Expression of Interest process to determine services to co-locate and provide services at the Precinct. Determination of services will be based on alignment to community needs identified. General Manager, Community Development and Events is the Relationship Manager for the Lead Agency. 	<ul style="list-style-type: none"> Due to the nature and anticipated use of elevated outdoor spaces at the Precinct, there is a risk of inclement weather events resulting in excessive overland water leading to erosion of the built and natural environment. Due to outsourcing of the facility management functions to a Third Party, there is a risk that a Lead Agency with have inadequate maintenance experience, practices and controls to prevent environmental impacts. <p>Consequence: Negligible Likelihood: Unlikely Level of Risk: Low</p> <p>Controls</p> <ul style="list-style-type: none"> There have been significant engineering solutions constructed to mitigate any likelihood of overland and stormwater to impact on the Precinct infrastructure and surrounding environment. Council will maintain regular asset condition assessments to ensure controls are effective and level of service upheld. A facility maintenance program will be developed for the Precinct. 	<ul style="list-style-type: none"> Due to project partner arrangements to secure funding for development of the Precinct, there is a risk of Lead Agency operationally conflicting with the Salvation Army on management objectives resulting in loss of partnership objectives with Council and termination clauses enacted. Council would have reduced quality control and non-compliances would have to be managed via breach conditions in the Management Lease Agreement. <p>Consequence: Minor Likelihood: Possible Level of Risk: Medium</p> <p>Controls</p> <ul style="list-style-type: none"> Management of the precinct would be under the control of the Lead Agency subject to conditions negotiated in a Management Lease Agreement. Property Acquisition and Disposal Section will oversee the development and execution of the Management Lease Agreement and any consent to lease/sub lease arrangements and issues that may arise. Lead Agency to manage all enquiries regarding tenancy, leasing and sub-leasing arrangements. Lead Agency to establish leasing criteria with Council to consent prior to entering into a lease/sub lease agreement. 	<ul style="list-style-type: none"> Due to outsourcing of service and facility management to a Third Party, there is a risk of commercial interests overriding community needs leading to desired service mix not being delivered. Due to outsourcing of service and facility management to a Third Party, there is a risk that a Lead Agency being perceived bias towards selection of tenants/services to operate from the Precinct leading to customer dissatisfaction. There is a risk that a Lead Agency may conflict with the Precinct service and facility management objectives resulting in deviation away from the integrated approach to service delivery resulting in duplication of services. <p>Consequence: Minor Likelihood: Possible Level of Risk: Medium</p> <p>Controls</p> <ul style="list-style-type: none"> Management of the precinct would be subject to conditions negotiated in a Management Lease Agreement. Council may choose to negotiate community service obligations into the Management Lease Agreements to ensure that commercial interests does not override community needs. Property Acquisition and Disposal Section will oversee development and execution of the Management Lease Agreement and any consent to lease/sub lease arrangements and issues that may arise. Lead Agency to manage all enquiries regarding tenancy, leasing and sub-leasing arrangements. Lead Agency to establish leasing criteria with Council to consent prior to entering into a lease/sub lease agreement.

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Option 3 – Establish an Incorporated Community Association to undertake the service and facility management of the Precinct.

That Council:

1. Under s40 Part 1 of the *Local Government Act 2009*, authorise the Chief Executive Officer to conduct a Beneficial Enterprise to:
 - I. Establish a Not for Profit Incorporated Community Association with authority to oversee the service and facility management of an integrated human and social services development known as the Philip Street Communities and Families Precinct.
 - II. Determine the Objects and Rules of the Constitution, inclusive of charitable objectives.
 - III. Enter into a Lease Management Agreement with the entity for the Precinct.
 - IV. Appoint a Councillor to the Management Committee established for this entity.

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<ul style="list-style-type: none"> Due to the nature of some services likely to be offered at the Precinct, there is a risk to occupants and visitors being exposed to behaviors and conditions leading to physical or psychological injury. Due to outsourcing of service and facility management to a community-based entity, there is a risk of inadequate governance and management controls to meet health and safety practices leading to physical or psychological injury, resulting in compensation claims. <p>Consequence: Minor Likelihood: Possible Level of Risk: Medium</p> <p>Controls</p> <ul style="list-style-type: none"> Council will provide governance advice and support to the management board to ensure appropriate health and safety policies, corporate standards and workplace practices are developed and implemented. 	<ul style="list-style-type: none"> By establishing a community-based entity there is a risk of financial dependency on Council to seed and provide ongoing operational funds, leading to an increase investment requiring an increase to revenue (rates) to maintain levels of services. <p>Consequence: Moderate Likelihood: Almost Certain Level of Risk: High</p> <p>Controls</p> <ul style="list-style-type: none"> Council will establish the community-based entity as charitable status to enable the broadest capacity to seek funding support. Council's level of operational investment can be reduced by agreeing to undertake all facility management of buildings, common areas, parkland and public amenities. CD&E remain at current location with limited interruption to function or service delivery. Only council operated/externally funded services and interagency meetings to relocate (e.g. Neighborhood Centre Program). 	<ul style="list-style-type: none"> By establishing a community-based entity, it will be open to public scrutiny in terms of financial performance and operating activities, there is a risk of professional grievance or perceived misconduct leading to high turnover of board membership. Due to the lack of community understanding of the community-based entity's constitution, community opposition to its operational and management conduct will be perceived to be endorsed by Council leading to customer dissatisfaction. Due to the project partner arrangements to secure funding for development of the Precinct, there is a risk that the Incorporated Association may conflict with the Salvation Army on management objectives resulting in early termination of partnership objectives with Council and termination clauses enacted. <p>Consequence: Negligible Likelihood: Possible Level of Risk: Low</p> <p>Controls</p> <ul style="list-style-type: none"> Council will establish the community-based entity with perpetual representation of Council on its management Board. Community-based entity will be conditioned to collaborate with Council and the Salvation Army to ensure commitment to the Precinct intent and vision is upheld. Determination of services will be based on alignment to community needs identified. 	<ul style="list-style-type: none"> Due to the nature and anticipated use of elevated outdoor spaces at the Precinct, there is a risk of inclement weather events resulting in excessive overland water leading to erosion of the built and natural environment. Due to outsourcing of the facility management functions to a community-based entity, there is a risk of inadequate maintenance experience and controls to prevent environmental impacts. <p>Consequence: Negligible Likelihood: Unlikely Level of Risk: Low</p> <p>Controls</p> <ul style="list-style-type: none"> There have been significant engineering solutions constructed to mitigate any likelihood of overland and stormwater to impact on the Precinct infrastructure and surrounding environment. Council will maintain regular asset condition assessments to ensure controls are effective and level of service upheld. A facility maintenance program will be developed for the Precinct. 	<ul style="list-style-type: none"> By establishing a community-based entity there is a risk to Council that the management board established may not have the level of expertise necessary to uphold the right corporate governance. This could lead to Council investing additional resources to support/lead the management board to meet its obligations under the Incorporation Act and facilitated in accordance with its objectives and operating within its remit. <p>Consequence: Negligible Likelihood: Likely Level of Risk: Medium</p> <p>Controls</p> <ul style="list-style-type: none"> Council will establish the community-based entity with perpetual representation of Council on its management Board. Management of the Precinct would be under the control of the Community-based entity subject to conditions negotiated in a Management Lease Agreement. Property Acquisition and Disposal Section will oversee the development and execution of the Management Lease Agreement and any consent to lease/sub lease arrangements and issues that may arise. Community-based entity to manage all enquiries regarding tenancy, leasing and sub- leasing arrangements. Council will need to ensure annual elections of committee are undertaken. Require Council to condition strategies implemented to manage committee succession. 	<ul style="list-style-type: none"> By establishing a community-based entity there is a risk to Council that the management board and future membership may not be adequate representation of the community leading to mis-representation of needs resulting in a deviation from the vision and intent for the Precinct and/loss of integrated approach to service delivery resulting in duplication of services. Due to outsourcing of service and facility management to a community-based entity, there is a risk bias selection of tenants/services to operate from the Precinct leading to customer dissatisfaction. Due to the project partner arrangements to secure funding for development of the Precinct, there is a risk that a community-based entity conflicting with the Salvation Army on operational and management objectives resulting in early termination of partnership objectives with Council and termination clauses enacted. <p>Consequence: Minor Likelihood: Possible Level of Risk: Medium</p> <p>Controls</p> <ul style="list-style-type: none"> Council will need to establish the committee with appropriate delegations and reporting requirements. Management success heavily reliant on attraction and retention of experienced and capable committee members. Adequate records and minutes must be kept which takes time and resources.