

INFORMATION REPORT TO THE AUDIT COMMITTEE

Date: 3rd February 2012

**TITLE: NEIGHBOURHOOD HRA (Landlord Services)
DIRECTORATE RISK REGISTER**

REPORT AUTHOR: Steven Barrett & Mary Ryan, Landlord Services Director

1. PURPOSE:

- 1.1 To brief the Audit Committee on the review and update of the Landlord Services Risk Register.

2. RECOMMENDATIONS:

- 2.1 To note the content of, and amendments to, the register.

3. BACKGROUND:

- 3.1 A Directorate level risk register exists for each Directorate and these are reported to the Audit Committee annually.
- 3.2 Landlord Services (HRA) risks were migrated to the automated SPAR.net system following a comprehensive review of the key business risks in March 2011. During the first half of 2011/12 these risks were amalgamated with the Neighbourhoods (GRF) risks into a single register. Subsequently, the former City Development directorate risks were added to the register, but latterly it has been agreed to administer the Landlord Services risks once again in a separate register. The Landlord Services risk register attached at Appendix 1 is accordingly Version 1 of the new register.

4. CONTENT:

- 4.1 There are three key risks on the Directorate risk register. There are no Landlord Services-related risks carried forward to the Corporate Risk Register.
- 4.2 There have been no new risks added, nor risks deleted, following the comprehensive review undertaken in 2010/11.
- 4.3 All risks were reviewed by the risk owners, the Landlord Services Management Team, and by the Executive Member, in December 2011, and the status and mitigations updated accordingly.

A copy of the SPAR.net risk register is attached at Appendix 1.

2011/12 - QUARTER 3 RISK REPORT

DIRECTORATE RISK REGISTER

| | | | | |
|----------------|----------|------------|------------|-------------|
| | No. | Day | Month | Year |
| VERSION | 1 | 3rd | Feb | 2012 |

VERSION CONTROL HISTORY

| Version No. | Reviewed By: | Review Date | Version No | Reviewed By: | Review Date |
|-------------|-------------------------------------|-------------|------------|--------------|-------------|
| 1 | Landlord Services - Management Team | Dec 2011 | | | |
| 1 | Executive Member | Dec 2011 | | | |

SIGNIFICANT CHANGES

Mitigations previously reported may no longer be contained in the body of this report if no longer relevant to controlling the risk (although remain in the SPAR.net database).

Main variations to the risk register shown below are as compared with the previous jointly prepared Neighbourhood (GRF & HRA) Risk Register current at June 2011.

| Risk No. | RISK | | VARIATION TO RISK | | | |
|----------|---|----------------------|-----------------------|---------------------|---|---|
| | Brief risk narrative | Current Risk Ranking | Previous Risk Ranking | Direction of travel | (inc. amended/new/deleted risk, additional mitigations/information) | |
| | | | | Current Status | Previous Status | |
| NH0 12 | Failure to deliver high quality effective services to tenants | 3 | | 4 | 4 | <p>Wording of risk changed - formerly described as: <i>Failure to deliver service improvements.</i></p> <p><u>Additional mitigations/Information</u> Improve knowledge of customer base:- Landlord Transformation Programme Tranche 2 to consider increasing support to most vulnerable tenants.</p> <p>Relationship with key partners/contractors:- reduced business reliance on external contractors. Re-tender of external contracts completed 2011 but start on sites delayed to Spring 2012.</p> |
| NH0 10 | Death or Serious Injury | 1 | | 3 | 3 | <p><u>Additional mitigation/information</u> Develop new flood risk policy:- Make provision in event of flood, ensure safety of residents.</p> |
| NH0 11 | Failure to deliver a balanced & sustainable business | 2 | | 2 | 2 | <p><u>Additional mitigations/information</u> Develop a response to emerging welfare benefit changes:- Ensure implications of welfare benefit reforms are understood and an appropriate business response is developed. Landlord Services is member of Corporate Welfare Reform Group.</p> <p>Develop Landlord Strategy:- Establish a framework for business decisions in the transition to self financing. Discussions about strategic direction for Landlord Service with Executive Member, QoL, Housing management Board - Report to Cabinet Feb 2012.</p> |

HRA risk report

Report for 2011-2012

Filtered by Service: Landlord Services

Not Including Child Projects records, Including Mitigation records

Key to Performance Status:

| | | | | | |
|-------------|----------------------|-----------------|-------------|-----------|-------------------|
| Mitigation: | Well behind schedule | Behind schedule | On schedule | Completed | No Data available |
| Risks: | Review Overdue (0+) | High (6+) | Medium (3+) | Low (1+) | |

HRA risk report

| Risk: Failure to deliver high quality effective services to tenants. Failure to deliver service improvements to tenants. It is estimated that 70% of all new Council tenancies present with some form of vulnerability or support need. | | | | | Risk Code: DRR - NH012 |
|--|---|--|--|-----------------|-------------------------------|
| Inherent Status: High (9) | | Inherent Risk Severity: High | Inherent Risk Likelihood: High | | |
| Date Identified: 31 Dec 2010 | | | Service: Landlord Services | | |
| Mitigation records | | | | | |
| Mitigation Status | Mitigation | Info | Responsible Person | Date Identified | Last Review Date |
| Completed | Align Phase 1 Business Delivery Plan 2011-12 to Vision and Target Operating Model | Service priorities consulted and agreed with stakeholders. Resources and governance arrangements in place to ensure accountability and delivery to plan. | Steven Barrett | 31/12/2010 | 02/01/2012 |
| Completed | Develop the Landlord Transformation Programme | Tranche 1 Programme (targetted at Repairs and Maintenance) established and Business Case approved. | Steven Barrett | 31/12/2010 | 02/01/2012 |
| On schedule | Development of TMOs | Assessment of potential business impact of TMOs Negotiation of modular management agreements Support to TMOs through feasibility and development stages | Nicky Debbage | 31/12/2010 | 02/01/2012 |
| On schedule | Implement the Landlord Transformation programme | Robust planning and governance arrangements, including Benefits realisation plans. Tranche 1 due to complete June 2012. Business case for Tranche 2 to SODBE December 2011 | Steven Barrett | 31/12/2010 | 02/01/2012 |
| On schedule | Improve knowledge of customer base | Landlord Transformation Programme Tranche 2 to consider increasing support to most vulnerable tenants. | Mary Ryan | 01/12/2011 | 02/01/2012 |
| On schedule | Improve relationship with ICS | To reduce potential risk of impacts of improvements to back office service delivery if performance of customer-facing services, notably CSC, is not maintained. SB/MR will sit on Strategic Process Board to be established in January 2012. | Steven Barrett | 31/12/2010 | 02/01/2012 |
| On schedule | Introduction of process management framework approach (PMF) | Ensure services are managed end to end for performance against targets and focus on continuous improvement. Tranche 1 will deliver PMF within Response Repairs and Planned Programmes. Ensuring a customer centric approach to service delivery. Tranche 2, affecting rest of Landlord Services, business case to SODBE Dec.2011. | Zara Naylor | 31/12/2010 | 02/01/2012 |
| Behind schedule | Relationship with key partners/contractors | Reduced business reliance on external contractors Re-tender of external contracts completed 2011 but start on sites delayed to Spring 2012. | Gillian Durden | 31/12/2010 | 02/01/2012 |
| Current Status: Medium (4) | | Current Risk Severity: Medium | Current Risk Likelihood: Medium | | |
| Risk Champion: Steven Barrett, Mary Ryan | | | | | |

HRA risk report

Risk: Death or serious injury Death or serious injury resulting from action or inaction on the part of landlord services. It is estimated that 70% of all new Council tenancies present with some form of vulnerability or support need.

Risk Code: DRR - NH010

Inherent Status: High (9)

Inherent Risk Severity: High

Inherent Risk Likelihood: High

Date Identified: 31 Dec 2010

Service: Landlord Services

Mitigation records

| Mitigation Status | Mitigation | Info | Responsible Person | Date Identified | Last Review Date |
|-------------------|--|---|--------------------|-----------------|------------------|
| On schedule | Develop and review relevant Risk Assessments and brief staff | Caretaking risk assessments being updated to provide site specific information. Other risk assessments monitored through H&S site inspections. | Mary Ryan | 31/12/2010 | 01/12/2011 |
| On schedule | Develop new fire safety policies and procedures | Clear corridor policy being implemented from October 2011 with input from Avon Fire & Rescue. Fire Safety Team established. Fire Safety Policy signed September 2011. | Tim Bruce | 31/12/2010 | 01/12/2011 |
| On schedule | Develop new flood risk policy | Make provision in event of flood, ensure safety of residents | Tim Bruce | 01/08/2011 | 01/12/2011 |
| On schedule | Ensure the asbestos register is effectively managed | - Rolling programme of asbestos surveys to ensure asbestos register is suitably accurate and populated - Processes in place to manage asbestos risks - Regular asbestos inspections as required under the Asbestos Management Regulations | Tim Bruce | 31/12/2010 | 01/12/2011 |
| On schedule | Obtain validation from Avon Fire and Rescue | ...by completing all Fire Risk Assessments for communal areas | Tim Bruce | 31/12/2010 | 01/12/2011 |
| On schedule | Regularly monitor electrical checks | - Rolling programme over a 10 year period by planned programmes. Asset database updated accordingly | Gillian Durden | 31/12/2010 | 01/12/2011 |
| On schedule | Regularly monitor gas safety compliance | - Rolling programme to ensure appliances are checked on an annual basis | Gillian Durden | 31/12/2010 | 01/12/2011 |
| On schedule | Regularly monitor sample water test by planned programmes to all water systems | - Develop policy (Risk Assessment) to cover guidance on domestic water systems (Gillian Durden/Tim Bruce) | Gillian Durden | 31/12/2010 | 01/12/2011 |
| On schedule | Regularly monitor the checking and servicing of door entry systems by planned programmes | This indicator is not relevant | Gillian Durden | 31/12/2010 | 01/12/2011 |
| On schedule | Regularly monitor the checking of all passenger lifts in blocks of flats | Every six months or monthly by planned programmes, dependent on the type of equipment | Gillian Durden | 31/12/2010 | 01/12/2011 |
| On schedule | To manage Construction, Design and Management | (CDM) issues on all capital and revenue projects and programmes: Prefab redevelopment programme with Bovis Homes ON SCHEDULE (Alison Napper) PRC rebuild and redevelopment elements for Parkinsons and Woolaways comencing March 2012 (Alison Napper) | Tim Bruce | 31/12/2010 | 01/12/2011 |

Current Status: Medium (3)

Current Risk Severity: High

Current Risk Likelihood: Low

Risk Champion: Steven Barrett, Mary Ryan

HRA risk report

| Risk: Failure to deliver a balanced and sustainable business Failure to deliver a balanced business plan and sustainable business that meets reasonable tenants expectations and best use of resources | | | | | Risk Code: DRR - NH011 |
|---|--|---|-----------------------------------|---------------------------------------|-------------------------------|
| Inherent Status: High (9) | | Inherent Risk Severity: High | | Inherent Risk Likelihood: High | |
| Date Identified: 31 Dec 2010 | | | Service: Landlord Services | | |
| Mitigation records | | | | | |
| Mitigation Status | Mitigation | Info | Responsible Person | Date Identified | Last Review Date |
| Completed | Acquire external validation of Business Plan | External audit of Business Plan & assumptions. Business Plan to be rerun following audit | Claire Burston | 31/12/2010 | 01/12/2011 |
| On schedule | Collect good quality data regards stock and stock condition | Systematic & standardised approach to data capture across all customer interactions to be introduced in Tranche 1 LTP. Technology enhancements to support data capture being explored. | Nicky Debbage | 31/12/2010 | 01/12/2011 |
| On schedule | Develop a response to emerging welfare benefit changes | Ensure implications of welfare benefit reforms are understood and an appropriate business response is developed. Landlord Service is member of Corporate Welfare Reform group. | Andy Baynton | 20/09/2011 | 01/12/2011 |
| On schedule | Develop HRA Business Planning approach | Strategy Manager post filled November 2011 Option appraisal and decision making methodology for future of stock, other asset and new build investment opportunities Deliver an Investment Programme suitable for transposition to the Planned Programmes Develop HRA approach to support corporate MTFP (Responsible persons: Mary Ryan/Steven Barrett) | Mary Ryan | 31/12/2010 | 01/12/2011 |
| On schedule | Develop Landlord Strategy | Establish a framework for business decisions in the transition to self financing Discussions about strategic direction for Landlord Service with Executive Member, QoL, Housing Management Board - Report to Cabinet Feb 2012 | Nicky Debbage | 31/12/2010 | 01/12/2011 |
| On schedule | Develop self financing preparation plan and governance framework | Approach to debt management being developed with Corporate Finance (treasury management) (Claire Burston) Review scrutiny and governance arrangements in light of Localism Act (Nicky Debbage) | Claire Burston | 31/12/2010 | 01/12/2011 |
| Completed | Ensure an appropriate response to the HRA subsidy review | Interim Business Plan developed pending full implementation of Review | Claire Burston | 31/12/2010 | 01/12/2011 |
| Current Status: Low (2) | | Current Risk Severity: Medium | | Current Risk Likelihood: Low | |
| Risk Champion: Steven Barrett, Mary Ryan | | | | | |

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