

**BRISTOL CITY COUNCIL  
Audit Committee**

**19<sup>th</sup> April 2013**

**Report of:** Steven Barrett/Mary Ryan: Service Director, Landlord Services

**Title:** Landlord Services Risk Register

**Officer Presenting Report:** Steven Barrett: Service Director, Landlord Services

**Contact Telephone Number:** 92 24082

**RECOMMENDATION**

That members review the updated Landlord Services Risk Register attached at Appendix 1, and note the improvement target projection summary.

**Summary**

This report provides members with the updated Quarter 4 of the Landlord Services Risk Register and outlines any significant changes from the last version reported to this Committee.

**The significant issues in the report are:**

The improvement target projection is summarised at Appendix 2.

**Policy**

The Risk Management Policy states that the Audit Committee will receive Directorate Risk Registers on an annual basis.

**Consultation**

**•Internal**

Executive member for Homes, Planning and Regeneration  
Landlord Services Leadership Team

•**External**

N/A

**1. Background**

1.1A Directorate level risk register exists for each Directorate and these are reported on to the Audit Committee annually. It has been agreed however that the Landlord Services (HRA) Risk Register should be maintained as a separate register from the Neighbourhoods (General Fund) Risk Register. The Landlord Services Risk Register was previously submitted to this committee in February 2012.

1.2 All risks are reviewed, and any new risks identified, by Service Managers and Service Directors on a quarterly basis. This is part of the Landlord Services' quarterly performance management arrangements.

**2. 2012/13 Landlord Services Directorate Risk Register – Quarter 4 Update**

2.1 There are currently four key risks on the Directorate risk register.

2.2 No new risks have been added.

2.3 A summary of the improvement target projection is detailed in Appendix 2. The residual risks related to 'Failure to protect income streams' and 'Failure to deliver a balanced and sustainable business' are unlikely to reduce due to the potential impact of Welfare Benefit reforms, specifically the introduction of 'under occupation charges' in 2013.

**Risk Assessment**

Risk Register provided at Appendix 1.

**Legal and Resource Implications**

**Legal**

N/A

**Financial**

**(a) Revenue**

N/A

**(b) Capital**

N/A

**Land**

N/A

**Personnel**

N/A

**Appendices:**

Appendix 1 – Summary Header and 2012/13 Quarter 4 Landlord Services  
Risk Register

Appendix 2 – (Risk) Improvement Target Projection Summary

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**Background Papers:**

Relevant background details held on SPAR.net

## 2012/13 - QUARTER 4 RISK REPORT

**LANDLORD SERVICES RISK REGISTER - SUMMARY  
HEADER**

	<i>No.</i>	<i>Day</i>	<i>Month</i>	<i>Year</i>
<b>VERSION</b>	<b>4</b>	<b>28th</b>	<b>Mar</b>	<b>2013</b>

**VERSION CONTROL HISTORY**

Version No.	Reviewed By:	Review Date	Version No	Reviewed By:	Review Date
1	Landlord Services Management Team (LMT)	Dec 11 (Q2)			
1	Executive Member	Dec 11 (Q2)			
1	Audit Committee	Feb 2012 (Q2)			
2	LMT	Mar 2012 (Q3)			
2	Executive Member	Mar 2012 (Q3)			
3	LMT	June 2012 (Q4)			
3	Executive Member	June 2012 (Q4)			
4	LMT	Sep 2012 (Q1)			
5	LMT	Jan 2013 (Q3)			
6	LMT	Mar 2013 (Q4)			

<b>RISK ASSESSMENT METHODOLOGY</b>  Each risk is assessed according to the potential impact and likelihood (low [=1], medium [=2] or high [=3]) of the risk occurring, and scored by cross multiplying.	<b>I M P A C T</b>	High	<b>H/L</b> 3x1=3	<b>H/M</b> 3x2=6	<b>H/H</b> 3x3=9
		Med	<b>M/L</b> 2x1=2	<b>M/M</b> 2x2=4	<b>M/H</b> 2x3=6
		Low	<b>L/L</b> 1x1=1	<b>L/M</b> 1x2=2	<b>L/H</b> 1x3=3
		Nil	Low	Med	High
	<b>RISK</b>	<b>LIKELIHOOD</b>			

## 2012/13 HRA risk report

**Report for 2012-2013**  
**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+)

### 2012/13 HRA risk report

**Risk: Failure to protect income streams** Failure to protect income streams which have an adverse effect on the ability to deliver strategic commitments. **Risk Code: DRR - NH013**

**Inherent Status: Medium (4)** **Inherent Risk Severity: Medium** **Inherent Risk Likelihood: Medium**  
**Date Identified: 21 Jun 2012** **Service: Landlord Services**

Mitigation records					
Mitigation Status	Mitigation	Info	Responsible Person	Date Identified	Last Review Date
On schedule	Base Business Plan on government rent convergence targets	Proposals for Rent & Service Charges increases for 2013/14 agreed. Service Charge policy to be reviewed in 2013.	Nicky Debbage	25/06/2012	01/04/2013
On schedule	Engage with Welfare Reform programme	Landlord Services on Welfare Reform Board. Service response developed to mitigate/respond to first tranche of Welfare Reform change - under regular	Andy Baynton	25/06/2012	01/04/2013

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<b>2012/13 HRA risk report</b>					
<b>Mitigation records</b>					
<b>Mitigation Status</b>	<b>Mitigation</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
		review. Work with Housing Benefits to cleanse data relating to underoccupation and Benefit cap. Contact being established with tenants impacted by underoccupation rule. Landlord Services membership of corporate Welfare Benefits working group.			
On schedule	Maximise financial return on asset (land and buildings)	Develop option appraisal approach to HRA stock types & land Develop approach to long term voids.  Recommend this mitigation be stowed. Repeat of mitigation under Risk NH011.	Nicky Debbage	25/06/2012	<b>01/04/2013</b>
On schedule	Refresh Business Plan regularly	Refresh Business Plan bi-annually to take into account actual and forecast financial variations.	Nicky Debbage	25/06/2012	<b>01/04/2013</b>
On schedule	Treasury Management approach	Treasury management approach agreed and managed by Corporate Finance subject to bi-annual review. Additional £45m borrowing taken on from 1/4/12 in line with self-financing for HRA.  Recommend that this mitigation be stowed.	Nicky Debbage	25/06/2012	<b>01/04/2013</b>
On schedule	Use Asset Management Strategy to inform investment decisions	Strategy will be dependent upon Business Plan forecasts.  Recommend this mitigation be stowed - already covered under Risk NH011	Nicky Debbage	25/06/2012	<b>01/04/2013</b>
<b>Current Status: Medium (4)</b>		<b>Current Risk Severity: Medium</b>		<b>Current Risk Likelihood: Medium</b>	
<b>Risk Champion: Steven Barrett, Mary Ryan</b>					
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**2012/13 HRA risk report**

## 2012/13 HRA risk report

**Risk: Failure to deliver a balanced and sustainable business** Failure to maximise opportunities to deliver an effective and sustainable strategy for the Landlord Service within self financing freedoms. **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  Recommend this mitigation be stowed.	Nicky Debbage	31/12/2010	01/04/2013
On schedule	Collect good quality data regards stock and stock condition	Systematic & standardised approach to data capture across all customer interactions being introduced with supporting technology. Asset management team established. Keystone training planned.	Nicky Debbage	31/12/2010	01/04/2013
On schedule	Develop a response to emerging welfare benefit changes	HRA response plan regularly updated Additional resources to target tenants impacted Developing wide range of responses to fit tenant needs, e.g debt/money management advice and advice on moving Emphasis on prevention Service response developed to mitigate/respond to first tranche of WR change	Andy Baynton	20/09/2011	01/04/2013
On schedule	Develop governance framework	Establish governance framework for key business decisions  (Mary Ryan/Steven Barrett)	Steven Barrett	01/01/2013	01/04/2013
On schedule	Develop HRA Business Planning approach	Option appraisal and decision making methodology for future of stock, other asset and new build	Mary Ryan	31/12/2010	01/04/2013

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<b>2012/13 HRA risk report</b>					
<b>Mitigation records</b>					
<b>Mitigation Status</b>	<b>Mitigation</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
		investment opportunities in development. Financial consultant employed to explore options/opportunities to expand or accelerate supply of affordable homes.			
<b>Completed</b>	Develop Landlord Strategy	Strategic objectives agreed. Work underway to inform priorities, including priority survey, new build options, business plan scenarios.	Nicky Debbage	31/12/2010	<b>01/04/2013</b>
<b>Completed</b>	Develop self financing preparation plan and governance framework	Approach to debt management being developed with Corporate Finance (treasury management) (Claire Burston) Links to Resouces scrutiny strengthened in light of Localism Act (Nicky Debbage)  Recommend that this mitigation be stowed.	Nicky Debbage	31/12/2010	<b>01/04/2013</b>
<b>Completed</b>	Ensure an appropriate response to the HRA subsidy review	Interim Business Plan developed pending full implementation of Review.  Recommend that this mitigation be stowed.	Nicky Debbage	31/12/2010	<b>01/04/2013</b>
<b>Current Status: Medium (3)</b>		<b>Current Risk Severity: High</b>	<b>Current Risk Likelihood: Low</b>		
<b>Risk Champion: Steven Barrett, Mary Ryan</b>					

## 2012/13 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	Site specific caretaking risk assessment updated during 2011. Reviews due 2013. Other risk assessments monitored through H&S site inspections.	Simon Westbrook	31/12/2010	01/04/2013
On schedule	Develop new fire safety policies and procedures	Fire Safety Policy developed Fire risk assessments in development Programme of works to address issues identified Additional resources to accelerate compliance programme New approach to communal parts developed	Nicky Debbage	31/12/2010	01/04/2013
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.	Nicky Debbage	31/12/2010	01/04/2013
On schedule	Obtain validation from Avon Fire and Rescue	Obtain validation from Avon Fire and Rescue by completing all Fire Risk Assessments for communal areas Programme of works to address highlighted issues on target	Nicky Debbage	31/12/2010	01/04/2013

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<b>2012/13 HRA risk report</b>					
<b>Mitigation records</b>					
<b>Mitigation Status</b>	<b>Mitigation</b>	<b>Info</b>	<b>Responsible Person</b>	<b>Date Identified</b>	<b>Last Review Date</b>
		Recommend this mitigation be stowed (merged with 'Develop new fire safety policies and procedures')			
On schedule	Property Protection	Identify on Keystone those properties in flood risk areas to enable consideration of flood mitigation measures as part of rolling programme.	Nicky Debbage	01/01/2013	<b>01/04/2013</b>
On schedule	Regularly monitor electrical safety	10 year domestic testing programme for all properties Programme behind schedule to deliver 10% safety tests	Gillian Durden	31/12/2010	<b>01/04/2013</b>
On schedule	Regularly monitor gas safety compliance	Rolling programme to ensure appliances are checked on an annual basis Current performance 99.6%	Gillian Durden	31/12/2010	<b>01/04/2013</b>
On schedule	Regularly monitor sample water systems (Legionella risk)	All communal water supplies have current risk assessment and testing programme on target. Risk assessments for domestic supplies behind schedule.	Gillian Durden	31/12/2010	<b>01/04/2013</b>
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 Safety checks on target	Gillian Durden	31/12/2010	<b>01/04/2013</b>
On schedule	To manage Construction, Design and Management	(CDM) issues on all capital and revenue projects and programmes: New role of CDM Co-ordinators built into Landlord Services structure Policy being co-ordinated centrally with provision of central policy manual	Nicky Debbage	31/12/2010	<b>01/04/2013</b>
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**2012/13 HRA risk report**

**Current Status: Medium (3)**

**Current Risk Severity: High**

**Current Risk Likelihood: Low**

**Risk Champion: Steven Barrett, Mary Ryan**

## 2012/13 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.  Recommend that this mitigation be stowed.	Steven Barrett	31/12/2010	01/04/2013
Completed	Develop the Landlord Transformation Programme	Tranche 1 Programme to complete end November 2012.  Recommend that this mitigation be stowed.	Steven Barrett	31/12/2010	01/04/2013
On schedule	Development of TMOs	EARTH passed final assessment. Plans to prepare for ballot in preparation. Negotiations regarding future of Housing Solutions.	Nicky Debbage	31/12/2010	01/04/2013
Behind schedule	Implement the Landlord Transformation programme Tranche 1	Transformation Programme to improve quality and effectiveness of Repairs and Maintenance Service. Phased implementation in progress to complete April 2013.	Steven Barrett	31/12/2010	01/04/2013
On schedule	Implement Tranche 2 of the Landlord Transformation Programme	Outline Business Case to transform estate services and develop new services to vulnerable tenants agreed December 2012. Full Business Case in development, scheduled for	Mary Ryan	31/12/2010	01/04/2013

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## 2012/13 HRA risk report

### Mitigation records

Mitigation Status	Mitigation	Info	Responsible Person	Date Identified	Last Review Date
		June 2013.			
Completed	Improve knowledge of customer base	Consideration of options to increase support to most vulnerable tenants.	Mary Ryan	01/12/2011	<b>01/04/2013</b>
Completed	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.	Steven Barrett	31/12/2010	<b>01/04/2013</b>
Completed	Relationship with key partners/contractors	Reduced business reliance on external contractors and robust procurement practice. New Planned contractor on site January 2012	Gillian Durden	31/12/2010	<b>01/04/2013</b>
<b>Current Status: Low (2)</b>		<b>Current Risk Severity: Medium</b>	<b>Current Risk Likelihood: Low</b>		
<b>Risk Champion: Steven Barrett, Mary Ryan</b>					

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**NEIGHBOURHOODS - HRA Quarter 4 2012/13  
(RISK) IMPROVEMENT TARGET PROJECTION SUMMARY**

**APPENDIX (10) 2**

SITUATION AS AT QTR3 2012/13						IMPROVEMENT TARGET PROJECTION				
Inherent Risk Status	Current Risk Status	CRR No.	Risk Title	Last Review Date	Risk Owner	Improvement Target Status	Improvement Target Date	Current Risk Status For last 4 Quarters	Commentary/Recommendation	
<b>High (=&gt; 6)</b>										
1	4	4	NH013	<b>Risk: Failure to protect income streams</b> Failure to protect income streams which have an adverse effect on the ability to deliver strategic commitments		Steven Barrett/ Mary Ryan	4	N/A	June 2012: 4 Sept 2012: 4 Jan 2013: 4 Mar 2013: 4	Significant risk associated with Welfare Benefit reforms. Business response regularly reviewed. Unlikely to improve current risk status in immediate future.
2	9	3	NH011	<b>Risk: Failure to deliver a balanced and sustainable business</b> Failure to maximise opportunities to deliver an effective and sustainable strategy for the Landlord Service within self financing freedoms		Steven Barrett/ Mary Ryan	2	Q2 2013	June 2012: 3 Sept 2012: 3 Jan 2013: 3 Mar 2013: 3	Risk significantly reduced post self financing. Strategic objectives agreed (Cabinet 2012) Revised governance arrangements to be developed.
3	9	3	NH010	<b>Risk: Death or serious injury</b> 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.		Steven Barrett/ Mary Ryan	3	N/A	June 2012: 3 Sept 2012: 3 Jan 2013: 3 Mar 2013: 3	Risk linked to asset base of 28,000 homes, Rolling programmes in place for all risk owners including fire, gas/electrical safety.
4	9	2		<b>Risk: Failure to deliver high quality effective services to tenants.</b> 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.		Steven Barrett/ Mary Ryan	2	N/A	June 2012: 2 Sept 2012: 2 Jan 2013: 2 Mar 2013: 2	Transformation Tranche 1 nearing completion. On track to deliver benefits (service improvements and efficiency savings). Tenant satisfaction increased for 2 <sup>nd</sup> year. Tranche 2 business case will build on work.