

KEY - HOUSING STRATEGIC PLAN
APPENDIX 1
HOUSING RISK REGISTER
PRIMARY RISKS AND CONTROL ARRANGEMENTS

Risk Assessment Methodology

Gross Risk Risk rating before controls and mitigating factors are taken into account.
Net or Residual Risk Risk rating once mitigation and controls are taken into account.
Scoring Exercise was undertaken with relevant housing, maintenance and development staff
Probability Consideration of frequency of risk
Impact Consideration of reputational, operating and financial impact and consequences.

<u>Probability</u>	Score	Examples
Highly likely	5	Likely to occur frequently eg once or twice a year
Probable	4	Likely to occur several times maybe once a year or every couple of years
Occasional	3	Likely to occur sometimes maybe every couple of years or even less frequently
Remote	2	Unlikely but possible
Unlikely	1	Highly unlikely
<u>Impact</u>		
<u>Impact</u>	Score	Examples
Catastrophic	5	Physical harm to individuals caused by organisations negligence, closure of a development, issue of financial viability, major and negative press coverage, major regulatory intervention
Critical	4	Regulatory intervention leading to enforcement, unplanned deficit or financial performance, illness or injury to individuals, negative local but not prolonged media coverage.
Serious	3	Regulatory interest, unplanned poor performance against budget.
Marginal	2	Minor eg loss of income but quickly recoverable or manageable. No regulatory impact.
Negligible	1	Very minor and of little consequence.

Overall Gross Score

Probability x Impact	13 to 25	Unacceptable risk - controls introduced to lower the risk score
	8 to 12	Undesirable - seek to reduce risk profile
	1 to 7	Acceptable but only if risk managed

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HOUSING RISK REGISTER - ANNUAL REVIEW 2019
PRIMARY RISKS AND CONTROL ARRANGEMENTS

Scores highlighted in yellow reflect changes from 2018

Risk Area	Nature of Risk	Gross Risk			Control	Net Risk		
		Probability	Impact	Score		Probability	Impact	Score
Tenant/Customer Satisfaction	Poor satisfaction rating from tenants on quality of service received	3	4	12	Range of mechanisms in place including annual satisfaction survey, establishment of tenant engagement group and regular consultations as required (for example on rent increases)	1	3	3
	Poor communication and engagement with tenants	3	3	9	Regular newsletters to tenants and visits from housing staff New website and tenant shandook in place. Tenants engaged in policy updates through My Home Group.	2	3	6
	Failure to meet requirements of Social Housing Charter and associated reporting requirements	3	4	12	Reporting requirements now captured and routine systems in place. SHR carried out a partial data verification audit in 2017 which highlighted no issues.	1	2	2
	Potential estate management issues	3	2	6	Proactive input from housing officers with an identified geographic area of work. Anti social behaviour policy and procedures revised in 2016.	2	2	4
Asset Management	Housing stock fails to meet needs of tenants, without long term flexibility of use	3	3	9	Active housing remodelling programme taken forward over last 15 years but there remain a small number of larger shared properties with no active proposals to change.	1	3	3
	Failure to meet requirements of Scottish Housing Quality Standard	2	4	8	Resourced plan in place to ensure 100% compliance	1	1	1
	Failure to meet requirements of Energy Efficiency Standard for Social Housing	2	4	8	Minimal failure rate and plan under development to ensure compliance before 2020	1	1	1
	Deterioration in fabric of housing stock	3	5	15	Annual assessment of all stock by maintenance officers and resourced major repairs provision	1	1	1
	Inadequate provision for replacement of major building elements	3	4	12	Life cycle exercise undertaken annually to revisit resources required and replacement cycle for major components	2	2	4
	Poor quality of reactive repairs	3	4	12	Post work inspection regime followed by maintenance officers. Careful selection and monitoring of contractors. Annual satisfaction survey	2	2	4
	Complexity in repairs service due to specialised and dispersed stock	3	4	12	Costs comparison as integral part of annual budget and rent setting process. Additional housing now leased.	2	2	4

	Failure to comply with procurement legislation	4	3	12	Work underway with external consultant to adopt compliant work practices. Revised policy and practices now in place	3	3	9
	Cost inefficiencies within repairs service	3	3	9	Tendering and procurement procedures in place and early feedback is potential for cost saving	2	3	6
	Failure to consider health and safety and associated statutory/regulatory requirements	3	5	15	Ongoing audit of high levels risks associated with landlord function is ongoing. Specific measure to upgrade fire detection provision across all properties completed. Assessment of fire risks in HMOs completed in 2019	2	4	8
Rental Income	Rents not covering costs	3	4	12	Annual rent setting process to ensure costs are met within rents	2	2	4
	Rents too high for local housing market	4	3	12	Rent setting policy has comparability and affordability as key factors to be considered.	3	3	9
	Income loss through excessive voids	4	3	12	Void period and re-let time procedures in place and managed proactively.	3	3	9
	Income loss through excessive arrears	2	2	4	Arrears policy and cases monitored in monthly meeting with housing team.	1	2	2
	Impact of introduction of Universal Credit	4	3	12	Increasing (but small) number of instances where impact of UC is requiring greater input. Potential greater issue when existing tenants migrate to UC	4	3	12
	Failure to adequately address issue of affordability	3	4	12	Issue of affordability of rents (unsupported base line) considered in 2018 against a range of measures. Outcome is that rent levels are assessed as affordable but with no scope for further divergence from other landlords.	2	3	6
	Failure to adequately address issue value for money	3	4	12	Commitment to explore value for money (maintenance initially) with My Home Group in 2019	3	4	12
Adequate Systems	IT systems inadequate, outdated or obsolete	4	4	16	Comprehensive redevelopment of housing/rent account and maintenance databases by in house team.	2	4	8
	Poor procedures or policies	3	3	9	Internal audit programme in place	2	2	4
Regulatory Compliance	Failure to meet requirements of SHR	2	5	10	Board review of compliance against SHR Regulatory Framework takes places annually	2	3	6
	Failure to meet requirements of SPSO Complaints Handling Procedures	3	3	9	Regular review of compliance introduced. Procedures for complaints handling across housing (and support) activity being reviewed	2	2	4
Relation with Support Provision	Increased intensity of housing input as a result of increased complexity of tenant need and diversity of client group	3	4	12	Continued complexity continues and is mitigated by close working with support providers and care managers	3	3	9