

# Neighbourhoods & Housing Directorate Risk Register – December 2016

Report Type: Risks Report

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
NH DR 002 Workforce	<p>The unprecedented changes in the public sector require new ways of working and a change in culture at all levels. The workforce are at risk of becoming demotivated leading to a negative atmosphere amongst workers, impacting upon service delivery and leading to dissatisfied stakeholders.</p> <p>Also restructures may cause temporary loss in efficiency as knowledge could be lost with experienced staff taking redundancies.</p> <p>Staff lack the skills set to keep up with needs of the required changes due to</p> <ul style="list-style-type: none"> <li>- A mismatch in training requirements</li> <li>- Training not fit for purpose</li> <li>- Inability to have the right number of staff with the adequate skills</li> <li>- Management resources are significantly diverted to deal with staff issues as opposed to strategic planning</li> </ul> <p>Service across the directorate struggle to effectively and successfully recruit for certain positions leading to a negative impact on service delivery.</p>	Neighbourhood & Housing		<p>December 2016 – Consequences of this Risk occurring might include:</p> <ul style="list-style-type: none"> <li>• Lack of strategic thinking</li> <li>• Lack of skill set results in failure in service provision</li> <li>• Service users not adequately safeguarded harmed</li> <li>• Opportunities missed</li> <li>• Inability to recruit to key positions</li> <li>• Staff morale impacted</li> <li>• Retention of staff impacted</li> <li>• Failure to deliver new ways of working which may impact on savings delivery</li> </ul>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
NH DR 002a Workforce	Directors consider workforce issues as part of business planning and HR provides a framework of processes and procedures which will support both the Directorate and its staff through a significant period of transition.	Kim Wright	All Directors	Ongoing	December 2016 - Risk reviewed and updated.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
NH DR 002b Workforce	Established a resilient system of identifying workforce training needs using Business Partnering arrangements (whereby each Head of Service links with the Organisational Development Team) across the Directorate	All Directors	Heads of Service	Ongoing	December 2016 - Risk reviewed and updated.
HCS DR 002c Workforce	There are detailed HR procedures and processes to deal with problems/instability created by restructures and these are carefully adhered to by the teams involved. All communication is regular and carefully considered	Dan Paul	All Directors	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 004d Workforce	Clear policy framework for managing employment issues along with HR standards training and support for managers on key decision making helps ensure appropriate and correct decisions are made.	Dan Paul	All Directors	Ongoing	December 2016 - Risk reviewed and updated.
HCS DR 002e Workforce	Services will work with HR/OD on the following <ul style="list-style-type: none"> <li>- Recruitment strategy review to identify other measures which can be taken into to promote Hackney as a great place to work</li> <li>- Review salary supplements in key professions to ensure they are providing market competitive salaries</li> <li>- Review career development paths within the services and also ensure that apprenticeships/trainee opportunities are being used to develop internal talents</li> </ul>	All Directors	All Heads of Service	Ongoing	December 2016 - Risk reviewed and updated.

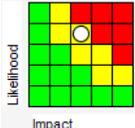
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
NH DR 003 Service Management - Reputation	<p>The predominantly front line activities of the Directorate are delivered under such scrutiny a small failure has a disproportionate impact on reputation of the Council.</p> <p>The Directorate fails to manage its services and as such an event occurs which results in a large reputation impact for the Council.</p>	Neighbourhoods & Housing		<p>December 2016</p> <p>Consequences of this risk occurring might include:</p> <ul style="list-style-type: none"> <li>• Poor perception of the Directorate with the Council and residents.</li> <li>• Extra work in dealing with reputational fall-out</li> <li>• Adverse media attention.</li> </ul>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
NH DR 003a Communications and Consultation Arrangements	<p>Communications and Consultation managed in partnership with the Council's communications teams through Heads of Services and Directors.</p> <p>Communications and Consultation plans are discussed and considered in partnership with Lead members on a regular basis.</p>	Kim Wright	All Directors	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 003b Programme Management and Governance	<p>Robust programme management and governance procedures in place for Major programmes which include consultation and engagement requirement. Project Sponsor to produce a communications plan for each key project and programme to ensure effective stakeholder engagement</p>	Kim Wright	All Directors	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 003c Programme Management and Governance – Capital Projects	<p>Robust programme management and governance procedures in place for key capital projects and programmes with project sponsorship at Director Level. Major schemes are managed via project boards to ensure reputational issues managed and project/programme outcomes delivered to required standard, on time and within budget</p>	Kim Wright	All Directors	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 003c Performance Management Framework	<p>Robust Performance management framework in place to monitor service performance. Services are managed as part of the Council's performance management framework through the Directorate Leadership Team, divisional and operational management teams and supervision. There is a regular reporting framework on Co-valent to highlight areas of underperformance with follow up management action taken as required.</p> <p>There are also a range of Quality Assurance systems in place to ensure service standards are monitored and maintained.</p>	Kim Wright	All Directors	Ongoing	December 2016 - Risk reviewed and updated.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
NH DR 004 Management of changes in support services	<p>The Directorate is reliant on support services within the Council to deliver effectively.</p> <p>The resources available in support services have been reducing and there is a potential that the Directorate does not effectively manage this reduction in support.</p>	Neighbourhoods & Housing		<p>December 2016 - Consequences of this risk occurring include:</p> <ul style="list-style-type: none"> <li>• Failure to deliver business objectives</li> <li>• Failure to make savings and balance budgets</li> </ul>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
	There is a heightened risk of reducing the health and safety resource across the Council and its impact on this directorate given the proportion of manual and front line workers.			<ul style="list-style-type: none"> <li>• Reduced flexibility to respond to changing priorities</li> <li>• Services not improved</li> <li>• Impact on transformational change</li> <li>• Delays to other work</li> <li>• Stress to staff</li> <li>• Health &amp; Safety management is compromised</li> </ul>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
NH DR 004a Staff Training	Senior Managers will ensure that focused training for staff on new support service processes, such as My Budget, is provided to ensure managers are aware of and can manage any impact their roles and responsibilities	All Directors	Heads of Service	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 004b Training and Development Plans	Training needs arising from the reductions in support services will be identified and built into the directorate training and development plans.	All Directors	Heads of Service	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 004c Directorate Leadership Team Oversight	Directorate Leadership Team to maintain oversight of changes to support services and feedback service requirements to facilitate enable smooth transition to new arrangements	Kim Wright	All Directors	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 004d Health & Safety - Policy Framework	The Council's Health & Safety policy framework, training and advisory services for team/managers ensures risk of injuries in the workplace are avoided as fully as possible.	All Directors	All Heads of Service	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 004e Health & Safety – Training	All operational managers received health and safety training for managers. All employees receive health and safety awareness training appropriate to their role	All Directors	All Heads of Service	Ongoing	December 2016 – Risk reviewed and updated.
NH DR004f Financial Management – Training	Finance officers work closely with Service managers to support their decision making with timely and accurate financial information. Financial training for non-financial managers in place and risk based budget monitoring in place to identify issues, risks and opportunities to support service delivery.	Deirdre Worrell	James Newman/ Simon Theobald	Ongoing	December 2016 - Risk reviewed and updated.

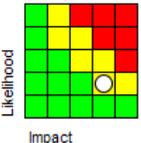
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
NH DR 005 ICT Infrastructure	<p>The directorate is reliant on the ICT infrastructure to deliver its services effectively. There is a risk that there is a mismatch between required needs and ICT capacity to deliver.</p> <p>Key factors include</p> <ul style="list-style-type: none"> <li>- Lack of understanding of ICT to keep up with business needs and an over reliance on process as opposed to outcomes.</li> <li>- Response times</li> <li>- Understanding of impact on services and priorities</li> <li>- Lack of identified officer in ICT i.e. for system responsibility and ownership</li> </ul>	Neighbourhoods & Housing		<p>December 2016 - ongoing. This may lead to:</p> <ul style="list-style-type: none"> <li>• Failure to deliver business objectives</li> <li>• Inability to delivery further productivity gains and the make savings required to balance budgets over the medium term</li> <li>• Reduced flexibility to improve services due to the ICT systems being unfit for purpose.</li> <li>• Inability to streamline service processes to improve service for the customer</li> <li>• Impact on transformation</li> <li>• Delays to other work</li> <li>• Reduction in confidence to take on changes/ability to deliver by ICT</li> <li>• Increase in service resource and stress to staff</li> </ul>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
NH DR 005a Governance arrangement for ICT Projects	Robust Governance arrangements are in place to manage ICT transformation projects with ICT expertise on project and programme boards	Kim Wright	All Directors	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 005b Partnership Approach with ICT colleagues	Service managers liaise regularly with ICT colleagues to resolve system issue and introduce service improvements.	Kim Wright	All Directors	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 005c Support Systems	Support systems are all in place to provide advice and back up when required for all service critical systems. This includes FAQs for customer services to enable them to support customers when the ICT systems fail.	All Directors	Head of Service	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 005d Supplier Management	Service and Contract reviews regularly held and documented with all major suppliers. Business Analysts/Project Managers assigned to projects from business case development onwards. Legal services engaged during procurement process.	Directors in partnership with Rob Miller, Director ICT	Heads of Service with ICT	Ongoing	December 2016 - Risk reviewed and updated.

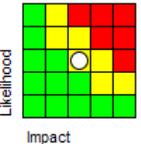
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
NH DR 006 Housing Regeneration Programmes	<p>Key risks which require careful management between Housing Regeneration and a range of services across the Council, including finance, procurement and planning.</p> <p>Major risks are associated with;</p> <ul style="list-style-type: none"> <li>Risks around certainty of future funding, need to contain borrowing within the HRA Debt Cap</li> <li>Procurement and performance related risks with developer partners, such as failing to obtain the correct agreements.</li> <li>Drops in property values could have impact viability of schemes.</li> <li>Managing increased risks to social cohesion associated with potential increased polarisation, greater transience and reduced housing affordability.</li> </ul> <p>The ongoing economic downturn poses risks to these projects that rely mainly or partly on disposal of assets or subsequent sale of newly developed sites.</p>	Neighbourhoods & Housing		December 2016 - There are significant housing regeneration projects ongoing within the borough (including the nationally significant Woodberry Down programme), borough-wide Estate Regeneration schemes and new build affordable housing with significant borrowing requirements which, if not carefully project managed could adversely impact the Council's overall financial position.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
NH DR 006a Housing Regeneration Programmes	Application of sound programme and project management methodology for delivery of complex programmes and projects including reporting where agreed tolerances have been exceeded, and finance assessment of business cases including those that need to be revised.	Kim Wright	John Lumley	Ongoing	December 2016 - Risk reviewed and updated.
NH DR 006b Housing Regeneration Programmes	Robust programme management and governance procedures in place for key capital projects and programmes with project sponsorship at Director Level. Major schemes are managed via project boards to ensure reputational issues managed and project/programme outcomes delivered to required standard, on time and within budget	Kim Wright	John Lumley	Ongoing	December 2016 - Risk reviewed and updated.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
------------	---------------------	-------------	---------------------	--------------------

NH DRH 007 Contract Procurement and Management	Poor procurement decisions result in non-viable contracts being awarded to non-viable contractors. Poor contract management results in poor resident satisfaction and unjustified cost and time overruns.	Neighbourhoods and Housing.		As a result of poor contract management revenue is lost or charges applied that are not justified leading to a clear financial loss to the Council and also negative reputational consequences
--	---	-----------------------------	---	--

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
NH DR 007a Contract Specification in place	Contracts clearly define the requirements of the business.	Stuart Davis		02-Nov-2017	December 2016 - Risk reviewed and updated.
NH DR 007b Tender Stage process followed	Robust tender process in line with EU procurement law and council standing orders.	Stuart Davis	Each Contract Manager	02-Nov-2017	December 2016 - Risk reviewed and updated.
NH DR 007c Contract Monitoring and Fraud Prevention	Restructure of Asset Management Team is based around the new contracts and clarity of responsibility for the contract managers in line with the contract manual.	Michael Scorer	Stuart Davis	02-Nov-2017	December 2016 - Risk reviewed and updated.
	Key performance indicators in place and used to manage the contracts.	Stuart Davis	Contract Managers		
	Final accounts prepared in a timely manner. Regular contract audit.	Stuart Davis Tracy Barnett	Contract Managers Michael Sheffield		
NH DR 007d Review of form of Contract	The Contract options are being reconsidered to ensure that the contract form is fit for Hackney's purpose.	Michael Scorer/ Chris Hudson	Stuart Davis	02-Nov-2017	December 2016 - Risk reviewed and updated.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
NH DR 008 New Government policies affecting housing	<p>The Government is introducing a number of policies affecting housing, mainly through the Housing &amp; Planning Act. Those likely to pose the greatest risk to the Council include:</p> <ul style="list-style-type: none"> <li>- An annual 1% reduction must be applied to social housing rents in each of the next 4 years. This will have an impact in terms of the income that the Council receives to fund its housing activities, for example potentially affecting the level of investment that can be</li> </ul>	Neighbourhoods and Housing.		<p>December 2016:</p> <p>The risk matrix will be updated later in the financial year, when details of the Government's policies are known, and analysis of the impact has been completed.</p> <p>There have been hints from the Housing Minister that the Government may be softening its</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
	<p>made in building new homes.</p> <ul style="list-style-type: none"> <li>- The forced sale of 'higher-value' council homes to help fund the extension of Right to Buy to housing association tenants. This will involve the Council paying an annual levy to Government, based on assumptions about the value of homes that become vacant. The full detail of how this policy will operate is not yet known, but is expected to be published by Government by the end of 2016. It is estimated that some 700 council homes may have to be sold in the first five years of the policy.</li> <li>- Starter Homes: The Government is placing a duty on local planning authorities to promote the provision of Starter Homes on new housing developments. It is also proposing to include Starter Homes within the official definition of 'affordable housing'. Starter homes will be valued at a discount of 20% on local market values, but can be up to £450,000 in London. Given extremely high house prices in Hackney, the Council's view is that Starter Homes should not be defined as 'affordable housing' as, if they are, there could be a high risk that these could squeeze out the provision of genuinely affordable homes such as social housing and shared ownership.</li> </ul>			approach to the Starter Homes initiative.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
NH RG 008a New Government policies affecting housing	Detailed analysis is being carried out regarding the likely impact of these policies, both internally and with other boroughs and representative organisations. In the case of the forced sale of council homes, this is currently hampered by having few details about how the scheme will operate. However analysis of the potential impacts is being carried out on a range of assumptions and scenarios.	John Lumley	Nigel Minto	08-Nov-2017	Updated December 2016

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
	<p>Individually and with other boroughs, the Council is actively making the case to Government for flexibilities to mitigate the adverse effects of these policies.</p> <p>Once the detailed Statutory Instruments have been published (expected by the end of 2016), the likely impact of forced sales can be more accurately be assessed and work can continue on preparations to implement the measures in a way that best mitigates the impacts on the Council and residents.</p> <p><i>1% reduction in rents:</i> The current savings plan delivers a fully resourced HRA business plan and keeps HRA borrowing below the debt cap. The business plan is monitored annually as part of the budget setting process, taking into account arising cost pressures, changes in government policy and legislation, and any service changes.</p> <p><i>Forced sale of council homes:</i> To mitigate the impact of forced sales, the Council will develop a disposal and investment strategy that:</p> <ul style="list-style-type: none"> <li>- minimises the impact on mixed communities and meets the highest priority housing needs, and</li> <li>- raises the funds necessary to both pay the levy and provide genuinely affordable replacements.</li> </ul> <p><i>Starter Homes:</i> The Council has made a strong case to Government that Starter Homes should not be included within the definition of 'affordable housing' in Hackney. We will work with the London Mayor to help make the case for a workable implementation of the initiative in London and, through the Local Plan review, ensure that this is addressed in local planning policy.</p>				