



## Report to the Board

31 January 2019

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**Title:** Strategic Risk Register

**Report of:** Interim Managing Director

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### **Purpose of Report**

1. To approve updated Strategic Risk Register for the company.

### **Background**

2. The Board, at its meeting on 21 March 2014, agreed that future Strategic Risk Registers be scrutinised by this committee prior to being presented to the Board for approval.
3. Following the Board Away Day on 4 October 2018, it was agreed to bring a revised strategic risks register to the next Audit Committee with a view to a recommendation for agreement going to the Board in November.
4. The Committee, at its meeting on 18 October 2018, agreed the updated Strategic Risks. However, the risks still needed to be scored and the detail updated for each of them.
5. This exercise has now been completed and the updated Strategic Risk Register is attached at the Appendix to this report.
6. Audit Committee met on 24 January 2019 and have recommended that the Board approve the updated Strategic Risk Register subject to the following amendments: -
  - SR1: Impact on rents of universal credit and welfare reform – An additional control around Alternative Payment Arrangements (APAs) being available for claimants who cannot manage the standard Universal Credit payment.
  - SR2: Failure to deliver business model due to future government policy – An additional control around annual monitoring of business plan (which is currently projecting that the minimum balance will be reached by 2025/26)
  - SR4: Failure to adapt to the housing & support needs – Further explanation of control relating to medical awards.

### **Strategic Risks**

7. Strategic risks are those which are critical to the direction of an organisation. Strategic risks may be driven by government policy, competition or a change in stakeholder requirements.

8. The following four scale matrix has continued to be used for impact and likelihood:

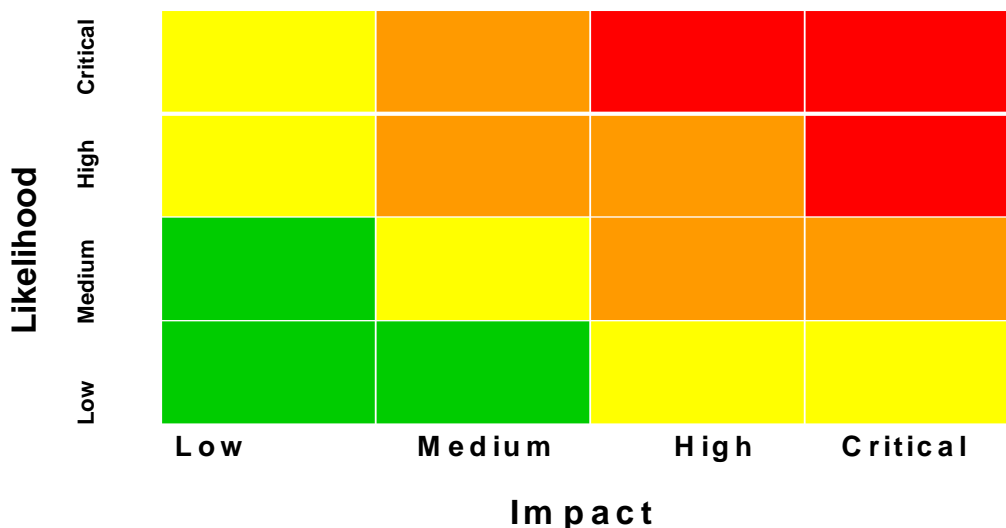
**Likelihood**

| Scoring | Definition     | Timing of occurrence   |
|---------|----------------|------------------------|
| 4       | Almost certain | Less than 3 months     |
| 3       | Likely         | 3 – 6 months           |
| 2       | Moderate       | 6 – 12 months          |
| 1       | Unlikely       | In excess of 12 months |

**Impact – Strategic Risks**

| Scoring | Definition | Example of impact   |
|---------|------------|---|
| 4       | Critical   | Total service loss for significant period<br>Fatality<br>Financial loss over £500,000<br>Government / Council intervention              |
| 3       | High       | Significant service disruption<br>Major/disabling injury<br>Financial loss over £100,000<br>Adverse national media coverage             |
| 2       | Medium     | Service disruption<br>Loss time injury<br>Financial loss over £50,000<br>Adverse local media coverage / lots of service user complaints |
| 1       | Low        | Minor service disruption / short term inconvenience<br>Minor injury<br>Financial loss under £50,000<br>Isolated service user complaints |

9. The following four scale matrix demonstrates how the risks will be assessed using a traffic light system: -



## **Link to Values**

10. This report links to the following values to be: -
- Fair
  - Customer focused
  - Open and honest
  - Accountable
  - Inclusive, valuing diversity

## **Risk Management Implications**

11. The risk management implications are identified throughout this report.

## **Financial Implications**

12. There are no financial implications directly arising from this report, however financial risks are identified in the risk register.

## **Equality and Diversity Implications**

13. There are no equality and diversity implications directly arising from this report.

## **Health Implications**

14. Although there are no implications directly arising from this report, the successful implementation of the recommendations will have a positive impact on the health and well being of Gateshead residents.

## **Environmental Implications**

15. There are no environmental implications directly arising from this report.

## **Value for Money Implications**

16. There are no value for money implications directly arising from this report.

## **Consultation carried out**

17. The Strategic risks, existing and planned controls have been discussed and agreed with the managers responsible for the relevant areas.

## **Impact on Customers**

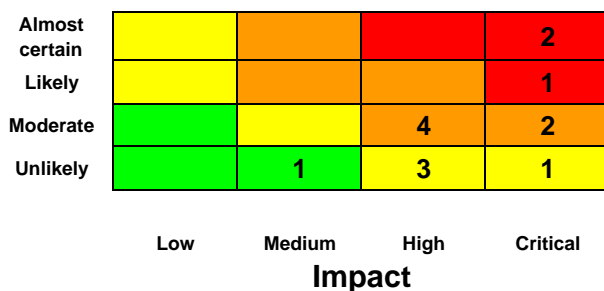
18. An effective risk management process will maintain the delivery of services to customers.

## **Recommendation**

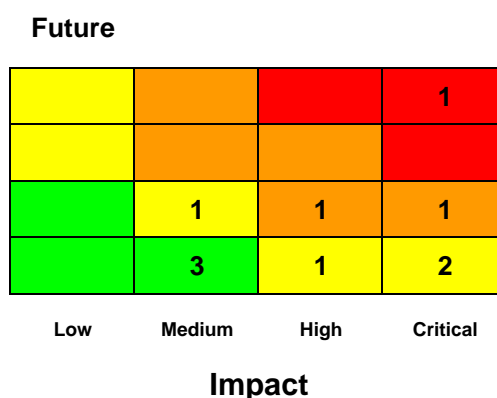
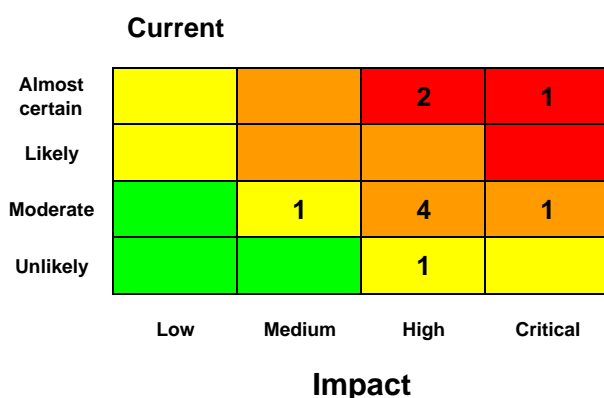
19. The Board is recommend to approve the updated Strategic Risk Register.

Strategic Risks

Heat map at July 2018



Heat map in January 2019



| Risk No | Risk  | Likelihood Current | Impact Current | Movement v previous | Owner                              | Likelihood Future | Impact Future |
|---------|---|--------------------|----------------|---------------------|------------------------------------|-------------------|---------------|
| SR1     | Impact on rents of universal credit and welfare reform                          | 4                  | 4              | →                   | Executive Director of Operations   | 4                 | 4             |
| SR2     | Failure to deliver business model due to future government policy               | 2                  | 4              | New                 | Managing Director                  | 1                 | 4             |
| SR3     | Causing serious harm or neglect to a customer, supplier or third party          | 3                  | 4              | New                 | Director of Business & Development | 2                 | 4             |
| SR4     | Failure to adapt to the housing & support needs of our customers                | 2                  | 4              | New                 | Executive Director of Operations   | 2                 | 2             |
| SR5     | Failure to achieve a viable model for repairs, maintenance and capital delivery | 3                  | 4              | New                 | Director of Property & Assets      | 1                 | 4             |
| SR6     | Failure to manage the company's finances and demonstrate value for money        | 2                  | 3              | ↑                   | Managing Director                  | 2                 | 3             |
| SR7     | Failure to plan the workforce efficiently                                       | 2                  | 3              | New                 | Director of Business & Development | 1                 | 2             |
| SR8     | Failure to maintain an effective relationship with the Council                  | 1                  | 3              | New                 | Managing Director                  | 1                 | 2             |
| SR9     | Failure to effectively manage business continuity                               | 2                  | 3              | ↑                   | Director of Business & Development | 1                 | 3             |
| SR10    | Failure to manage effective corporate governance                                | 2                  | 2              | →                   | Managing Director                  | 1                 | 2             |

|            |   |   |
|------------|---|---|
| <b>SR1</b> | <b>Impact on rents of universal credit and welfare reform</b> | <b>Executive Director of Operations</b> |
|------------|---|---|

|                                |  |
|--------------------------------|--|
| <b>Consequence of the risk</b> | Tenants unable or not willing to pay rent. TGHC and partners unable to meet requests for assistance. Mismatch between demand and supply of appropriately sized properties. Increase in levels of voids, with associated increase in demands on resources. Some properties at risk of being unsustainable, with high turnover and low demand. Rental income significantly reduced due to increased rent arrears and void rent loss. Will lead to TGHC being unable to meet budgetary requirements within revenue, repair and capital budgets; - reduction in satisfaction with services and loss of confidence in ability to manage |
|--------------------------------|--|

| <b>Current Likelihood</b> | <b>Current Impact</b> |
|---------------------------|-----------------------|
| 4                         | 4                     |

| <b>Previous Likelihood</b> | <b>Previous Impact</b> |
|----------------------------|------------------------|
| 4                          | 4                      |

### Existing Controls

|    |   |
|----|---|
| 1  | Specialist teams provide information, advice and guidance, arrears prevention and recovery services and referral, including 10 x Advice and Support Officer posts embedded within the service |
| 2  | Membership of various council-led partnership groups  |
| 3  | Partnership arrangements with public, private and third sector agencies   |
| 4  | Advice and support for tenants looking to downsize  |
| 5  | Assistance given to tenants with applications for Discretionary Housing Payments  |
| 6  | Alternative Payment Arrangements (APAs) available for claimants who cannot manage the standard Universal Credit payment   |
| 7  | Redesignation of properties at highest risk of becoming unsustainable   |
| 8  | Claimants for Universal Credit offered support through application process  |
| 9  | Facility for "any day" direct debits enables tenants to link timing of rent payment with Universal Credit payment   |
| 10 | Representation at local and national meetings with DWP to review implementation of Universal Credit   |
| 11 | Review of services for 2017/18 to provide smaller patch sizes and more focus on pre-tenancy advice - to support tenancy sustainability  |

### Planned Controls

|   |  |
|---|--|
| 1 | Existing controls remain in place and are part of our ongoing activity |
|---|--|

| <b>Future Likelihood</b> | <b>Future Impact</b> |
|--------------------------|----------------------|
| 4                        | 4                    |

Controls reduce the impact of welfare reform, but the financial impact (and impact on tenants) will continue to be (at least) high, and probably critical.

|            |  |                          |
|------------|--|--------------------------|
| <b>SR2</b> | <b>Failure to deliver business model due to future government policy</b> | <b>Managing Director</b> |
|------------|--|--------------------------|

|                                |   |
|--------------------------------|---|
| <b>Consequence of the risk</b> | Housing Revenue Account reserves reach minimum balance;<br>ALMO model in Gateshead ends |
|--------------------------------|---|

|                           |                       |
|---------------------------|-----------------------|
| <b>Current Likelihood</b> | <b>Current Impact</b> |
| <b>2</b>                  | <b>4</b>              |

|                            |                        |
|----------------------------|------------------------|
| <b>Previous Likelihood</b> | <b>Previous Impact</b> |
| <b>New</b>                 | <b>New</b>             |

### Existing Controls

|   |  |
|---|--|
| 1 | Response to Green Paper submitted  |
| 2 | Lifting of HRA Borrowing Cap   |
| 3 | Increased size of Rent and Income Team to respond to Universal Credit  |
| 4 | Annual monitoring of business plan (which is currently projecting that the minimum balance will be reached by 2025/26) |

### Planned Controls

|   |  | <b>Timescale</b>       |
|---|--|------------------------|
| 1 | Work with the Council on the development of a new management agreement from April 2020 | <b>Pre April 2020</b>  |
| 2 | Contribution to actions in Housing Strategy  | <b>From April 2019</b> |
| 3 | Contribution to Council Plans in response to Brexit                                    | <b>31 January 2019</b> |
| 4 | Engagement with regional, national and sub national providers                          | <b>Ongoing</b>         |

|                          |                      |
|--------------------------|----------------------|
| <b>Future Likelihood</b> | <b>Future Impact</b> |
| <b>1</b>                 | <b>4</b>             |

|  |
|--|
| Planned controls will reduce the future risk |
|--|

|            |   |   |
|------------|---|---|
| <b>SR3</b> | <b>Causing serious harm or neglect to a customer, supplier or third party</b> | <b>Director of Business and Development</b> |
|------------|---|---|

|                                |  |
|--------------------------------|--|
| <b>Consequence of the risk</b> | Fatality or serious injury to customers, employees or sub-contractors; risk of legal action; loss of reputation; regulatory intervention |
|--------------------------------|--|

| <b>Current Likelihood</b> | <b>Current Impact</b> |
|---------------------------|-----------------------|
| <b>3</b>                  | <b>4</b>              |

| <b>Previous Likelihood</b> | <b>Previous Impact</b> |
|----------------------------|------------------------|
| -                          | -                      |

### Existing Controls

|    |   |
|----|---|
| 1  | Compliance catch up plan implemented                                      |
| 2  | Business and Risk Assurance Team established                              |
| 3  | Internal audit arrangements   |
| 4  | Seven Compliance Policies approved and management plans in development    |
| 6  | Health and Safety Policies and Incident reporting procedures in place     |
| 7  | Adopted Council's procurement procedures and approved list of contractors |
| 8  | Major incident procedures led by Gateshead Council                        |
| 9  | Preparation for outcome of Grenfell Report and Hackitt Review             |
| 10 | Challenged and discussed at Board and committees                          |
| 11 | Compliance Task and Finish Group  |
| 12 | Compliance data scrutinised by Board and Audit Committee                  |

### Planned Controls

|   |  | <b>Timescale</b>         |
|---|--|--------------------------|
| 1 | Strengthen the landlord compliance function  | <b>30 April 2019</b>     |
| 2 | Develop our approach to quality assurance and technical assurance in relation to compliance                      | <b>30 June 2019</b>      |
| 3 | 5 year cyclical programme for compliance activities  | <b>31 March 2019</b>     |
| 4 | Review of health and safety  | <b>31 December 2019</b>  |
| 5 | Review of customer profile data  | <b>31 March 2019</b>     |
| 6 | Data Cleansing Exercise and development of data protocols  | <b>Ongoing</b>           |
| 7 | Completion and roll out of management plans and associated training programme                                    | <b>30 June 2019</b>      |
| 8 | Review of CDM roles and responsibilities   | <b>31 March 2019</b>     |
| 9 | Establish corporate due diligence procedure in relation to assuming responsibility for the delivery of a service | <b>30 September 2019</b> |

| <b>Future Likelihood</b> | <b>Future Impact</b> |
|--------------------------|----------------------|
| <b>2</b>                 | <b>4</b>             |

|  |
|--|
| Planned controls will reduce the future risk |
|--|

|            |   |   |
|------------|---|---|
| <b>SR4</b> | <b>Failure to adapt to the housing &amp; support needs of our customers</b> | <b>Executive Director of Operations</b> |
|------------|---|---|

|                                |  |
|--------------------------------|--|
| <b>Consequence of the risk</b> | Decrease in tenancy sustainability and increase in tenancy failures; greater pressures on health, social care, police, budgets; failure to have right type of housing to meet residents' needs; loss of reputation |
|--------------------------------|--|

|                           |                       |
|---------------------------|-----------------------|
| <b>Current Likelihood</b> | <b>Current Impact</b> |
| <b>2</b>                  | <b>3</b>              |

|                            |                        |
|----------------------------|------------------------|
| <b>Previous Likelihood</b> | <b>Previous Impact</b> |
| <b>New</b>                 | <b>New</b>             |

### Existing Controls

|    |   |
|----|---|
| 1  | Provision of statutory homeless service, including out of hours advice  |
| 2  | Refugee resettlement programme  |
| 3  | Housing support to vulnerable customers   |
| 4  | Lettings policy and management of housing register  |
| 5  | Disabled Facilities Grant, major and minor adaptations  |
| 6  | Tenancy visit programme and wider tenant and estate management support  |
| 7  | Medical awards for additional priority on housing register to move to a property that meets the applicant's needs |
| 8  | Safeguarding  |
| 9  | Partnership working with care call  |
| 10 | Support plans   |
| 11 | Learning Disability Concierge Service   |
| 12 | Challenged and discussed at Board and committee   |

### Planned Controls

|   |  | <b>Timescale</b>         |
|---|--|--------------------------|
| 1 | Public Sector Reform - learning from the prototypes                | <b>30 September 2019</b> |
| 2 | Review of Tyne and Wear Homes                                      | <b>31 March 2019</b>     |
| 2 | Exit plan for refugee resettlement programme                       | <b>31 March 2019</b>     |
| 3 | New build project for learning and disability schemes              | <b>31 August 2019</b>    |
| 4 | Housing and Homelessness Strategy, in partnership with the Council | <b>31 March 2019</b>     |

|                          |                      |
|--------------------------|----------------------|
| <b>Future Likelihood</b> | <b>Future Impact</b> |
| <b>2</b>                 | <b>2</b>             |

The planned controls reduce the risk of failing to provide appropriate housing and support. Learning from the Council's public sector reform will also inform future risk planning.



|            |  |  |
|------------|--|--|
| <b>SR5</b> | <b>Failure to achieve a viable model for repairs, maintenance &amp; capital delivery</b> | <b>Director of Property &amp; Assets</b> |
|------------|--|--|

|                                |  |
|--------------------------------|--|
| <b>Consequence of the risk</b> | Will put at risk the financial viability of the housing company and performance will suffer; impact on reputation with customers and Council |
|--------------------------------|--|

|                           |                       |
|---------------------------|-----------------------|
| <b>Current Likelihood</b> | <b>Current Impact</b> |
| <b>3</b>                  | <b>4</b>              |

|                            |                        |
|----------------------------|------------------------|
| <b>Previous Likelihood</b> | <b>Previous Impact</b> |
| <b>New</b>                 | <b>New</b>             |

### Existing Controls

|   |  |
|---|--|
| 1 | Monthly financial monitoring and reporting   |
| 2 | Delivery against priority of customer focused repair service by monitoring KPI performance |
| 3 | Monitor monthly cashflow forecast and manage demand according to available budget          |
| 4 | Sub-contractor management procedures   |
| 5 | Quarterly reports and scrutiny by Board and committees                                     |
| 6 | Monthly meetings with the Council's Asset and Design Teams (Capital)                       |
| 7 | Business intelligence tools available  |

### Planned Controls

|   |  | <b>Timescale</b>        |
|---|--|-------------------------|
| 1 | Developing a joint working plan with the Council to develop pre-construction activity  | <b>31 March 2019</b>    |
| 2 | Implementation of service improvements identified from Property and Assets Review Working Groups (policies and procedures; performance management; Human Resources; commerciality; stores, procurement and supply chain; Service Level Agreements; compliance) | <b>31 March 2020</b>    |
| 3 | Robust sub-contractor engagement, monitoring and management  | <b>31 March 2019</b>    |
| 4 | Work with Council to develop visible rolling 5-year investment programme, including new build  | <b>31 March 2020</b>    |
| 5 | Review of structures to ensure fit for future purpose  | <b>31 December 2019</b> |
| 6 | Enable effective performance management and reporting through ICT solutions such as dashboards, data analysis and digital solutions (aligned to property and Assets Review)  | <b>31 March 2020</b>    |

|                          |                      |
|--------------------------|----------------------|
| <b>Future Likelihood</b> | <b>Future Impact</b> |
| <b>1</b>                 | <b>4</b>             |

Planned controls will significantly reduce the future risk

|            |   |                          |
|------------|---|--------------------------|
| <b>SR6</b> | <b>Failure to manage the Company's finances and demonstrate value for money</b> | <b>Managing Director</b> |
|------------|---|--------------------------|

|                                |   |
|--------------------------------|---|
| <b>Consequence of the risk</b> | Financial loss to the Company that we are unable to meet through our reserves, inability to deliver services and maintain staffing levels |
|--------------------------------|---|

| <b>Current Likelihood</b> | <b>Current Impact</b> |
|---------------------------|-----------------------|
| <b>2</b>                  | <b>3</b>              |

| <b>Previous Likelihood</b> | <b>Previous Impact</b> |
|----------------------------|------------------------|
| <b>1</b>                   | <b>3</b>               |

### Existing Controls

|   |   |
|---|---|
| 1 | Regular, accurate budget monitoring scrutinised by TGHC Resources Committee & Monthly Finance Meeting |
| 2 | 2018/19 Budgets approved by Board   |
| 3 | Comprehensive Internal Audit programme reported to Audit Committee                                    |
| 4 | External Audit carried out annually, no significant issues ever raised                                |
| 5 | Robust insurance arrangements in place - all claims handled by the Council                            |
| 6 | Qualified Finance Team in place   |
| 7 | Financial Regulations and standing orders in place and regularly reviewed                             |
| 8 | Challenged and discussed at Board and Committees  |

### Planned Controls

|   |                                       | <b>Timescale</b>      |
|---|---------------------------------------|-----------------------|
| 1 | Approval of 2019/20 budget            | <b>March 2019</b>     |
| 2 | 2019/20 - 2021/22 Internal Audit Plan | <b>March 2019</b>     |
| 3 | Appointment of External Auditors      | <b>September 2019</b> |

| <b>Future Likelihood</b> | <b>Future Impact</b> |
|--------------------------|----------------------|
| <b>2</b>                 | <b>3</b>             |

The current likelihood has increased from 1 to 2 due the company's reserves dropping from £1,420,000 at 31 March 2017 to £691,000 at 31 March 2018 giving the company less reserves to meet any financial loss. However this risk is offset as it is likely that in the event of any significant unforeseen cost, we would discuss the impact with the Council.

|            |  |   |
|------------|--|---|
| <b>SR7</b> | <b>Failure to plan the workforce efficiently</b> | <b>Director of Business &amp; Development</b> |
|------------|--|---|

|                                |   |
|--------------------------------|---|
| <b>Consequence of the risk</b> | Increased turnover, loss of knowledge and expertise, productivity and reduced customer satisfaction resulting in low morale and engagement, increased sickness absence and stress levels amongst existing staff; increased use of agency workers and temporary appointments |
|--------------------------------|---|

|                           |                       |
|---------------------------|-----------------------|
| <b>Current Likelihood</b> | <b>Current Impact</b> |
| <b>2</b>                  | <b>3</b>              |

|                            |                        |
|----------------------------|------------------------|
| <b>Previous Likelihood</b> | <b>Previous Impact</b> |
| <b>New</b>                 | <b>New</b>             |

### Existing Controls

|   |  |
|---|--|
| 1 | Absence management policy and procedure  |
| 2 | HR policies and procedures around capability, performance management and recruitment and selection |
| 3 | Recruitment and selection procedure  |
| 4 | Apprenticeship Programme   |
| 5 | Mental health first aiders   |
| 6 | Occupational health including counselling and physiotherapy  |
| 7 | Joint working with Gateshead Council   |
| 8 | Management development training  |
| 9 | Scrutinised quarterly by Resources Committee and the Board   |

### Planned Controls

|    |  | <b>Timescale</b>                 |
|----|--|----------------------------------|
| 1  | Production of an effective workforce/people strategy (incorporates workforce planning / succession planning etc) | <b>31 December 2019</b>          |
| 2  | Review of Employee Handbook  | <b>31 December 2019</b>          |
| 3  | Establishment of engagement programme  | <b>31 December 2019</b>          |
| 4  | Review of training matrix and appraisal system   | <b>31 March 2019</b>             |
| 6  | Review of Recruitment and Retention Policy   | <b>31 March 2019</b>             |
| 7  | Review of methods of employee communication  | <b>31 March 2019</b>             |
| 8  | Comprehensive performance management framework   | <b>31 March 2020</b>             |
| 9  | Develop a framework that promotes joint working with trade union colleagues                                      | <b>31 March 2019</b>             |
| 10 | Review of Property and Asset Directorate including structures, terms and conditions of employment                | <b>Phase 1<br/>31 March 2019</b> |
| 11 | Review of Occupational Health Service provision  | <b>31 March 2019</b>             |

|                          |                      |
|--------------------------|----------------------|
| <b>Future Likelihood</b> | <b>Future Impact</b> |
| <b>1</b>                 | <b>2</b>             |

Planned controls will reduce the future risk

|            |   |                          |
|------------|---|--------------------------|
| <b>SR8</b> | <b>Failure to maintain an effective relationship with the Council</b> | <b>Managing Director</b> |
|------------|---|--------------------------|

|                                |                                     |
|--------------------------------|-------------------------------------|
| <b>Consequence of the risk</b> | Loss of confidence from the Council |
|--------------------------------|-------------------------------------|

|                           |                       |
|---------------------------|-----------------------|
| <b>Current Likelihood</b> | <b>Current Impact</b> |
| <b>1</b>                  | <b>3</b>              |

|                            |                        |
|----------------------------|------------------------|
| <b>Previous Likelihood</b> | <b>Previous Impact</b> |
| <b>New</b>                 | <b>New</b>             |

### Existing Controls

|   |   |
|---|---|
| 1 | Executive Director of Operations member Council's Corporate Management Team               |
| 2 | Regular meetings between Managing Director and Council's Chief Executive                  |
| 3 | Quarter partnership meeting with the Council (monthly monitoring meetings)                |
| 4 | Service Level Agreements with Council   |
| 5 | Finance Business Partner seconded to Council  |
| 6 | Attendance at Housing Portfolio Meetings  |
| 7 | Contribution to Overview & Scrutiny Committee reports, particularly on housing and health |

### Planned Controls

|   |   | <b>Timescale</b>     |
|---|---|----------------------|
| 1 | Review of management agreement and engagement with elected members    | <b>31 March 2020</b> |
| 2 | Collaborative approach with Council to New Build and Capital Projects | <b>31 March 2020</b> |
| 3 | Joint working with Council on public sector reform                    | <b>31 March 2020</b> |

|                          |                      |
|--------------------------|----------------------|
| <b>Future Likelihood</b> | <b>Future Impact</b> |
| <b>1</b>                 | <b>2</b>             |

|  |
|--|
| Planned controls will reduce the future risk |
|--|

|            |  |   |
|------------|--|---|
| <b>SR9</b> | <b>Failure to effectively manage business continuity</b> | <b>Director of Business &amp; Development</b> |
|------------|--|---|

|                                |   |
|--------------------------------|---|
| <b>Consequence of the risk</b> | Inability to deliver services, leading to an impact on customer satisfaction and potential financial losses to the Housing Revenue Account; potential cyber hacking |
|--------------------------------|---|

| <b>Current Likelihood</b> | <b>Current Impact</b> |
|---------------------------|-----------------------|
| <b>2</b>                  | <b>3</b>              |

| <b>Previous Likelihood</b> | <b>Previous Impact</b> |
|----------------------------|------------------------|
| <b>1</b>                   | <b>3</b>               |

### Existing Controls

|   |  |
|---|--|
| 1 | Business Continuity Plan in place - can be accessed remotely |
| 2 | ICT Security Policy - GDPR, Information Security, Firewalls  |
| 3 | ICT SLA with Council and Partners                            |
| 4 | Links with Council's Emergency Planning Team                 |

### Planned Controls

|   |  | <b>Timescale</b>        |
|---|--|-------------------------|
| 1 | Comprehensive review of existing Business Continuity Plan                                | <b>31 December 2019</b> |
| 2 | Business continuity awareness sessions with managers                                     | <b>31 March 2019</b>    |
| 3 | Define priority services and agree alternative arrangements in the event of a disruption | <b>30 June 2019</b>     |
| 4 | Review of existing procurement process for contractors' business continuity              | <b>30 June 2019</b>     |
| 5 | Review with Council's business continuity activity and addressing the gaps               | <b>31 December 2019</b> |
| 6 | Business assurance checks on all places of work  | <b>31 March 2019</b>    |
| 7 | Review of business assurance and risk structure  | <b>31 March 2019</b>    |

| <b>Future Likelihood</b> | <b>Future Impact</b> |
|--------------------------|----------------------|
| <b>1</b>                 | <b>3</b>             |

Planned controls will reduce the future risks

|             |   |                          |
|-------------|---|--------------------------|
| <b>SR10</b> | <b>Failure to manage effective corporate governance</b> | <b>Managing Director</b> |
|-------------|---|--------------------------|

|                                |  |
|--------------------------------|--|
| <b>Consequence of the risk</b> | Failure to manage effective corporate governance could lead to poor strategic decision making, reputational damage to the company and could ultimately lead to direct intervention from the Council. |
|--------------------------------|--|

| <b>Current Likelihood</b> | <b>Current Impact</b> |
|---------------------------|-----------------------|
| <b>2</b>                  | <b>2</b>              |

| <b>Previous Likelihood</b> | <b>Previous Impact</b> |
|----------------------------|------------------------|
| <b>1</b>                   | <b>2</b>               |

### Existing Controls

|   |  |
|---|--|
| 1 | Board consisting of 5 tenants, 5 independent and 5 Councillor Directors      |
| 2 | Training and appraisal programme in place for all Board Members              |
| 3 | Annual Governance Review undertaken  |
| 4 | Board Governance Pack provided to all Board Members                          |
| 5 | Comprehensive tailored induction programme provided to all new Board Members |
| 6 | Board members code of conduct in place                                       |
| 7 | Internal and External Audits of the company                                  |

### Planned Controls

|   |   | <b>Timescale</b>     |
|---|---|----------------------|
| 1 | Board Appraisals 2019                                 | <b>30 June 2019</b>  |
| 2 | Agree scope for Governance Review                     | <b>31 March 2019</b> |
| 3 | Implementation of temporary Executive Management Team | 31-Mar-19            |

| <b>Future Likelihood</b> | <b>Future Impact</b> |
|--------------------------|----------------------|
| <b>1</b>                 | <b>2</b>             |

|   |
|---|
| This is an area that is already being effectively controlled and the future planned controls will ensure this continues |
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