

Risk Number	Risk	Business plan assumption	Risk Owner	Risk Type	Pre-mitigation Likelihood (out of 5)	Pre-mitigation Impact (out of 5)	Pre-mitigation Risk Score (out of 25)	Mitigation	Post-mitigation Likelihood (out of 5)	Post-mitigation Impact (out of 5)	Post-mitigation Risk Score (out of 25)	Comparison to last report	Risk Status	Comment
1	There is a risk of unforeseen costs and loss of income as a result of poor quality housing stock	The potential consequence of this risk materialising is that the Company's income is insufficient to cover the expenditure required to maintain good quality housing stock	First Wave	Operational & Financial	3	4	12	In the Company's 2019-20 Business Plan the Board has allocated extra resource for works in years 1, 2, and 3 for 110 properties. This mitigates the risk of potential unforeseen costs resulting from poor housing stock. A stock condition survey has also been carried out, figures still need to be analysed but this will further mitigate the risk.	2	4	8		Open	17/01/2019. New mitigation. Post mitigation impact reduced from 4 to 3. 14/05/2019. The board received the stock condition survey April 2019 and an investment proposal with 7 investment streams. The investment required for FWH stock is significant. There is a higher risk that the business and financial plan will be unable to cover all the costs. Finance are presenting the financial analysis to the Board and revising the business plan to understand how the stock investment can be afforded. 10/06/2019 . There is the potential that the company cannot afford the stock investment. Finance presented a financial analysis to the board and will continue to investigate the options available.
2	There is a risk of reduction in income in market rent because the properties cannot achieve market rent yield	The business plan assumes that market rent achieves 20% uplift over LHA	First Wave	Financial	5	2	10	Where market rented properties are not achieving LHA rent levels, the 2019/20 Business Plan proposes to amend the tenure of these properties once they become void in order to increase rental income. 3 properties have now been let on LHA rates as PRS.	4	1	4		Open	17/01/2019. New mitigation. Risk reduced.
4	There is a risk that First Wave policies and procedures specific to the non-social housing tenures e.g.. market rent and intermediated rent are not applied appropriately	The failure to adhere to core policies and procedures could lead to a financial and reputational risk to the company	First Wave	Operational & Financial	3	3	9	Brent Housing Management have advised they will undertake a policy and compliance audit and consider commissioning an internal audit programme through PwC	2	3	6		Open	14/05/2019. FWH has an opportunity to standardise their AST (tenancy agreement) and consider the letting standard for current properties. Currently it appears intermediate rent letting standard is the highest and market rent are let at the social housing standard. There is custom and practice with furnished accommodation which means FWH are paying for furniture where perhaps a grant from TA or welfare system would be more appropriate.
5	There is a risk that business plan rent collection rates are not achieved and bad debt exceeds business plan assumptions. The introduction of universal credit may adversely affect rent collection	The potential consequences of this risk materialising is the company's income is insufficient to cover its expenditure.	First Wave	Financial	2	3	6	Rent collection rates are monitored at monthly First Wave board meetings and remain consistent at around 100%. Brent Housing Management who deliver housing management services for First Wave have in place an action plan for Universal Credit implementation	2	3	6		Open	14/05/2019. Audit on rent collection identified for 2019/2020
6	There is a risk that void periods will exceed the business plan	The potential consequences of this risk materialising is the company has fewer properties able to receive rent and therefore income would reduce whilst expenditure potentially increases. Additional costs such as council tax costs to the company increase during void periods.	First Wave	Financial & achieving operational objectives	2	3	6	First Wave has built the requirement to cooperate to ensure void periods are minimised into the contracts with housing management and void contractors.	5	3	15		Open - live risk	14/05/2019. Voids rates are circa 10% which is more than the business plan assumptions. The costs for voids are higher than assumptions and the rent loss is higher than assumptions - this risk has occurred. 10/06/2019. There are currently 4 void properties for FWH. We will work with Housing Management to understand how this can be better mitigated in the future.
7	There is a risk that First Wave is deemed to have failed a statutory health and safety obligation as a landlord	The SLA places a requirement on Brent Council to deliver this function, but is unable to transfer the risk of non-compliance with legislation e.g. H&S, gas safety etc. Failure to comply with H&S requirements increases the opportunity for hazards including the causing of death. The ultimate penalty for failure to abide by statutory H&S requirements is imprisonment of the Chair of the Board.	First Wave	Financial & Reputational	1	5	5	Contracts cover compliance requirements including gas servicing. Only suitably qualified people will be employed to deliver works. Monthly monitoring include some key aspects including gas, complaints and customer satisfaction.	1	5	5		Open	14/05/2019. The council has recently had an audit on its asset management systems and a number of improvements have been identified. FWH and i4B should participate in discussions around the key data basis of CRM, Northgate and Keystone.

8	First Wave is deemed to have failed a statutory requirement in its corporate role	<p>The company must comply with regulatory and best practice requirements around it's own management and governance such as annual accounts, returns to companies house, and other regulatory bodies such as the Housing Ombudsman and Homes England. There could be a residual risk in relation to the above occurring from the company previously being known as Brent Housing Partnership and relevant legal and statutory documents not being changed to reflect the companies new name.</p> <p>The consequences of other statutory failures may be fines and/or reputational damage to First Wave.</p>	First Wave	Financial & Reputational	1	5	5	<p>The Board is putting in place suitable policies and procedures to ensure regulatory compliance, e.g. an escalation policy, scheme of delegation, risk management, and internal audit arrangements.</p> <p>A thorough transformation programme was undertaken when BHP became First Wave to ensure that all legal and statutory documentation was changed.</p>	1	5	5		Open	14/05/2019. The council has recently had an audit on its asset management systems and a number of improvements have been identified. FWH and i4B should participate in discussions around the key data basis of CRM, Northgate and Keystone. - Compliance is closely linked to asset management (gas FRAs, electric, legionella, EPC and asbestos)
9.1	There is a risk of fraud to the Company	<p>Subletting of properties by tenants.</p> <p>Letting of properties by Council or maintenance staff for personal gain during a void period.</p>	First Wave	Fraud	2	2	4	<p>BHM will prioritise regular visits to 'high risk' properties and will use intelligence from the Council's Audit and Investigation department to inform this.</p> <p>Property void times will be reported to the board and BHM will work to keep void periods low.</p> <p>The board will be provided with detailed reporting on void checks undertaken by BHM.</p>	1	2	2		Open	Added from Fraud Risk Assessment
9.3	There is a risk of fraud to the Company	<p>Diversion of tenant rent payments by staff.</p> <p>Collusion between tenants and staff to write off rent arrears.</p> <p>Deliberate overpayment of rent by tenants using proceeds of crime and then requesting a refund.</p> <p>Set up of invalid/fictitious suppliers by staff for personal gain.</p> <p>Invalid amendments to supplier bank details to divert payments, either by external parties making fraudulent requests or by staff making amendments for personal gain.</p> <p>Payments to third parties for goods/services not being received.</p>	First Wave	Fraud	1	3	3	<p>Rent collection rates are monitored by the Board. Rent arrears write-offs are submitted to the board for approval, after going through the Council's internal procedures.</p> <p>Payments from FWH are made through the Council's payment system and as such, are subject to Council policies and procedures.</p>	1	2	2		Open	Added from Fraud Risk Assessment
9.4	There is a risk of fraud to the Company	<p>Tenants misrepresenting their circumstances during the eligibility assessment process.</p> <p>Proceeds of crime being used to purchase properties.</p>	First Wave	Fraud	1	3	3	<p>FWH will review Brent Council's Right-to-Buy Policy with a view of adopting it.</p> <p>Board approval will be sought on any right-to-buy applications and these will be considered alongside the Council's current processes. The Council has a two stage approval process in place - if the property purchase price is above £500K it is approved at Operational Director level, and if it is below £500K it is approved at HoS level.</p> <p>Brent Housing Management staff can refer Right-to-Buy applications to the Council's Fraud and Investigation department if required.</p>	1	3	3		Open	Added from Fraud Risk Assessment
9.5	There is a risk of fraud to the Company	<p>Repairs/maintenance/major works – overcharging or charging for fictitious works.</p> <p>Collusion between staff/ board members and buyers to dispose of properties at under market value.</p> <p>Undeclared conflicts of interest between staff/board members and buyers.</p>	First Wave	Fraud	1	3	3	<p>BHM will implement a post inspection regime to ensure that the repairs and major works completed comply with the cost incurred.</p> <p>A review will be undertaken into any property which has more than 7 repairs in a 12 month period.</p> <p>The average cost of repair per property will be regularly reported to the board.</p> <p>FWH will develop an Assets Disposal Policy. This will consider the Council's checks, and board and shareholder approval for the disposal of any company assets.</p> <p>The policy will be submitted to the guarantor for approval.</p>	1	3	3		Open	<p>Added from Fraud Risk Assessment</p> <p>10/06/19 - Asset Disposal Policy will be brought to the attention of the guarantor at the next guarantor's meeting.</p>