

**I4B Strategic Risks**

Ref	Business Plan Objective	Strategic Risk	Risk	Trigger	Previous			Updated			Risk Trend	Mitigation	Actions	Owner	SLA Lead	Due Date	Action Update
					Likelihood	Impact	Score	Likelihood	Impact	Score							
1	Safe and Sustainable Homes	HB does not meet H&S requirements	HB lacks the policies, knowledge and governance arrangements to effectively monitor regulatory and legal standards on compliance.	Lack of reliable monitoring reports to Board	4	5	20	3	5	15	↓	Review policies, controls and reporting arrangements. Monitor implementation of True Compliance system and revised compliance policies	Head of Property Services	Strategic Support Officer	Dec-23	Compliance policies now agreed by Board. Updated reports have been received from True Compliance and reviewed, widgets in the process of being set up to ease reporting. Risk score reduced as regular reporting from TC now in place.	
1	Safe and Sustainable Homes	HB does not meet H&S requirements	Poor data quality on asset management systems means compliance with H&S standards cannot be effectively monitored, resulting in HB being non-compliant with its statutory obligations.	Inadequate controls on record creation, lack of KPIs and monitoring processes	3	5	15	3	5	15		Review asset records and the controls around creation and update. Produce a regular compliance report to Board covering all compliance requirements.	Strategic Support Officer	Ongoing	Monitoring and reporting to Board continues on a monthly basis.		
2	Safe and Sustainable Homes	HB does not meet H&S requirements	Compliance actions are not effectively identified, followed or monitored when issues arise, leading to non-compliance with statutory obligations.	Inadequate controls on the recording, follow-up and reporting of mitigation actions identified.	3	5	15	3	5	15		Ensure effective monitoring and reporting processes on compliance.	Head of Property Services	Strategic Support Officer	Dec-23	Compliance policies now agreed by Board. Updated reports have been received from True Compliance and reviewed, widgets in the process of being set up to ease reporting. Regular reporting from TC now in place.	
3	Running a Viable Business	HB cannot trade as a going concern	Tenant non-payment of rent increases due to unaffordability of rent.	Change in market demand	5	4	20	5	4	20		Regular modelling and business plan reviews, effective recovery processes, and identifying the main reasons for high arrears levels.	Head of Housing & Neighbourhoods	Strategy and Delivery Manager	Completed	Benchmark on rent collection rates.	
4	Running a Viable Business	HB cannot trade as a going concern	High void rent loss due to long void turnaround times.	Poor void management processes and reporting	5	3	15	5	3	15	↓	Improve void management processes and reporting.	Head of Property Services / Responsive Repairs and Voids Manager	Strategic Support Officer	Jan-24	The sign-up process has been revised and is in a pilot phase, with lettings officers now assisting with Universal Credit and Council Tax applications, as well as advance payments. A newly introduced welcome pack and Nominations Panel are ready for implementation to enhance tenancy sustainment. Additionally, ongoing improvements are being made to rent collection and arrears management, with a focus on providing a more comprehensive service.	
5	Running a Viable Business	HB cannot trade as a going concern	High Capital Programme costs, including future climate change expenditure, undermine the viability of the business plan.	Uncertainty on investment requirements in stock, including decarbonisation and compliance	5	5	25	3	5	15	↓	Development of a costed asset management plan with viable options.	Head of Property Services	Strategy and Delivery Manager	Sep-23	Report from Asset Management Team on energy performance, asset management requirements and decarbonisation potential of portfolio has been received and is being factored into the financial business plan. This will be finalised for the start of the 2024-25 Business Plan; risk likelihood has been reduced based on initial outcomes showing a reduced risk to company finances.	
6	Running a Viable Business	Financial and reputational damage	HB is deemed to have failed a statutory requirement in its corporate role following developments in the regulatory environment such as the Hackitt Review.	Policies and procedures fail to meet regulatory requirements or are not complied with	2	3	6	2	3	6		Annual review of regulatory requirements and building standards and compliance with these.	Strategic Support Officer	Completed	Completed for 2023 - next review in June 2024		
7	Running a Viable Business	Financial and reputational damage	Substantial variations in inflation and interest rates compared to the business plan adversely affect financial performance and viability.	Cost inflation exceeds income; rent collection levels decrease; new unaffordable expenditure requirements such as decarbonisation costs are identified	4	5	20	3	5	15	↓	Regular review of costs and assumptions, and stress testing of the business plan.	Senior Finance Analyst	Strategic Support Officer	Jul-23	Completed for 2022/23 outcome and review of financial model; next stress test to be carried out as part of 2024/25 business planning. Risk reduced to reflect Bank of England forecast that inflation will	
8	Running a Viable Business	Financial and reputational damage	Tax inefficiency in the HB company structure makes property acquisition and decarbonisation works unaffordable	Increasing interest payments on loans cannot be offset against tax liabilities	4	5	20	3	5	15	↓	Carry out a tax planning review of the HB business plan	Senior Finance Analyst	Strategic Support Officer	Completed	EV advice and conclusions presented to October Board; regular tax planning reviews to be introduced from June 2024, and risk score reduced to reflect improved monitoring	
9	Increasing Supply of Affordable Housing	HB cannot increase affordable housing supply	There is an insufficient volume of properties on the market that meet HB's financial criteria.	Change in market conditions	3	3	9	3	3	9		Regular review of market and financial viability model.	Strategy and Delivery Manager	Completed	Acquisition programme is proceeding to plan following decision to resume purchasing, with changes to modelling and new L&A rates increasing HB's purchasing power		
10	Increasing Supply of Affordable Housing	HB cannot increase affordable housing supply	There is an insufficient amount of development opportunities that meet HB's development criteria.	Change in market conditions	4	3	12	3	3	9	↓	Regular review of market and financial viability model.	Strategy and Delivery Manager	Completed	Review feasibility of a block acquisition or new build purchases during 2023/24.		
11	Increasing Supply of Affordable Housing	HB cannot increase affordable housing supply	HB has insufficient capital to fund new acquisitions.	Change in market interest rates or a failure to negotiate new funding	5	3	15	3	3	9	↓	Monitoring of market rates and agreeing financing options with the Council.	Senior Finance Analyst	Completed	Discussions to take place between HB Board and Council around future investment in Company.		
12	Increasing Supply of Affordable Housing	HB cannot increase affordable housing supply	HB has insufficient capital to fund new acquisitions.	Change in market interest rates or a failure to negotiate new funding	5	3	15	3	3	9	↓	Monitoring of market rates and agreeing financing options with the Council.	Senior Finance Analyst	Completed	The Council has indicated that future loan finance would be available to the housing companies following the use of remaining loan funding; the affordability of acquisitions at this point will be dependent on the interest rate environment. Risk score reduced to reflect ongoing exploration of viable opportunities and Council willingness to provide further funding for lease.		