

Appendix 2

Havering's housing management service: risk analysis of a decision to create an in-house service.

In January and February 2012 residents were invited to express their views in the future of the Council's Arms Length Management Organisation, Homes in Havering, through a test of opinion. The results of the test of opinion were...

The Council is now considering a formal decision to bring the service in-house. This document examines the risks which arise from such a decision.

The Council is considering the establishment on an in-house service through a process involving three stages, as follows:

- First, taking the minimum legal and administrative action needed to close down HiH and pass responsibility to the Council. This will involve transferring the housing management service from HiH to LBH without significant change except to the senior management team.
- Second, drawing up proposals for the future housing service, and consulting resident on them. The plans will cover new governance arrangements, possible integration with council services (e.g. call handling, CCTV, grounds maintenance and community safety), and the priorities and plans of the new service.
- Third, implementing change to the service, based on the outcome of the resident consultation.

The format of this document will ensure compliance with the Department of Communities and Local Government guidance on the consideration of the future of local councils' ALMOs dated December 2011. The risks identified in the document reflect the guidance.

The table below analyses the risks and shows the steps which need to be taken to mitigate them. (In the table 1 is low).

Risk	Likelihood score 1- 5	Impact score 1- 5	Combined score 1-10	Mitigation
1. Short term loss of key executive level staff with impact on service quality	3	3	6	Appointment of interims if necessary
2. Short term loss of key finance staff with impact on plans for self financing	3	4	7	Appointment of interims if necessary
3. Short term loss of key technical	3	3	6	Appointment of interims if

staff with impact on condition of stock				necessary
4. Loss of focus on services and reduction in performance during the transition	2	4	6	Implementation of an effective staff communication strategy
5. Revised governance arrangements leading to less resident involvement	1	4	5	Early creation of Resident Panel
6. Loss of service quality arising from reduced staff morale	2	4	6	Implementation of an effective staff communication strategy
7. Loss of service quality arising from IT complications	2	3	5	Early meetings with IT to iron out problems
8. Loss of service quality in Strategic Housing arising from overstretch	2	3	5	Appointment of interims if necessary
9. Cost of transition over-runs	2	2	4	Adequate budget created and project management to include control
10. Annual revenue savings are not realised	2	2	4	Discussions with other LBH services on scope for integration.
11. The councils consultation and decision making processes are challenged	2	1	3	Continue to comply with statutory guidance and good practice.
12. Changes in Government guidance or statutory requirements during the transition	1	2	3	None possible
13. Excessive				Manage

short term expectations from tenants and leaseholders	4	2	6	expectations via published material and meetings with residents
14. Unreasonable expectations of the future service arising from consultation	2	2	4	Manage expectations via published material and meetings with residents
15. The Board of HiH does not agree voluntarily to wind up HiH.	2	2	4	If necessary call an EGM and appoint new Board members
16. Insufficient senior staff capacity to support the transition project	4	4	8	CMT decision about how to resource the project. Use external specialists if necessary.
17. Changes in the required extent of reintegration of services made after reorganisation has started	4	4	8	Identify the risk clearly at the start of any reorganisation