

**Southway Housing Trust
Significant Risk Map**

RANK		Identified Risk	Scope of Risk	Current Score			Prev Score
Now	Prev			Impact	Probability	Nett Risk	
1	1	Impact of Universal Credit	•Rent collection rates drop as UC rolls out reducing Southway income.	4	4	16	
2	2	Costs and reputational issues arising from Development Programme	<ul style="list-style-type: none"> •Inability to build reputation as a developing organisation •Unable to meet affordable homes targets •Inability to secure future development opportunities •Inability to meet GMCA growth agenda 	4	4	16	
3	3	Exposure of shared ownership sales to market trends and adjustment	<ul style="list-style-type: none"> •291 units allocated as part of SOAHP programme 2016-21, with resultant sales value in region of £12 million •Adverse market conditions impact on Business Plan. •Reputational damage as Southway fails to deliver its plans 	4	4	16	

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4	4	Ineffective treasury management	<ul style="list-style-type: none"> •Not controlling development spend in line with available resources. •Timing wrong around next refinancing exercise •Too much deposited in term deposit accounts, or sums deposited for too long a period 	5	3	15	
5	5	Unable to deliver Extra Care Priority	<ul style="list-style-type: none"> •Southway unable to provide suitable alternative accommodation to ageing tenant base or achieve own strategic priority •Southway unable to contribute to GM wide Age Friendly Strategy 	3	4	12	15 3/5
6	6	Construction sector inflation and skills shortage	<ul style="list-style-type: none"> •Inability to find suitable contractors and labour •shortage pushing up tender prices •Delay in delivering the programme •labour shortages impact on delivery of repairs and maintenance service 	3	4	12	15 3/5
7	7	Failure to achieve VFM efficiency targets and cost reductions	<ul style="list-style-type: none"> •Inappropriate spending priorities. •Mismatch between available resources and expenditure demands. •Regulatory action. 	4	3	12	
8	8	ICT infrastructure problem or failure to deliver priorities affects Southay's operations.	<ul style="list-style-type: none"> •Unable to deliver core service to tenants •Costs incurred in trying to repair the system •Failure to deliver service improvements and realise efficiencies as ICT Development stalls 	4	3	12	9 3/3
9	9	Longer term rent policy uncertainty	<ul style="list-style-type: none"> •Lack of clarity on Government approach to affordable housing rents. •'Unfavourable' policy position could have a significant impact on Southway's routine operations and development 	4	3	12	16 4/4
10	21	Failure to deliver property services business plan-	<ul style="list-style-type: none"> •Staff Shortages and Sickness •Cost Pressures •Customer Demand •Performance Challenges 	3	4	12	8 2/4

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11	10	Difficulty in the recruitment and retention of staff	<ul style="list-style-type: none"> •Unable to attract staff with right skills to help Southway progress, or retain talented and experienced staff 	4	3	12	9 3/3
12	11	Weak governance leads to poor decision making	<ul style="list-style-type: none"> •Serious issue is uncovered by regulator via an IDA, or through routine reporting which leads to regulatory downgrade •Unclear delegation of responsibility between Board and Subsidiaries leads to confusion over authority 	4	3	12	
13	12	Failure to meet Statutory Property Health and Safety Compliance	<ul style="list-style-type: none"> •Incident that endangers the life of tenant or members of the public. •Regulatory attention or downgrade •Damage to buildings and potential financial loss. •Reputational damage 	5	2	10	5 5/1
14	13	Failure to ensure health and safety compliance	<ul style="list-style-type: none"> •Accident that endangers the life of staff member or tenant •Regulatory attention or downgrade 	5	2	10	5 5/1

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15	14	Risks relating to pension costs	<ul style="list-style-type: none"> •Pension liabilities rise ahead of fund assets. •Increased cost of employer contributions. 	3	3	9	12 3/4
16	15	Compound affect of Welfare Reforms on tenants ability to pay rent	<ul style="list-style-type: none"> •Rent collection rates drop due to reductions in Housing and other benefits to tenants. 	3	3	9	
17	16	Mismatch between inflation and rental growth during the rent cut period	<ul style="list-style-type: none"> •Costs grow faster than provision assumed in the Business Plan. 	3	3	9	
18	17	Low staff morale	<ul style="list-style-type: none"> •Retention of talented and experienced staff becomes more difficult. •Drop in performance 	3	3	9	
19	18	Lack of commercial skills leads to poor decision making and delivery	<ul style="list-style-type: none"> •Southway is undertaking a range of new activities in which it has limited or no experience 	3	3	9	
20	19	Not managing change effectively	<ul style="list-style-type: none"> •Staff do not understand the strategic direction of the organisation. •Rapid change leads to low morale 	3	3	9	
21	20	New-Failure to comply with Data Protection Legislation	<ul style="list-style-type: none"> •Increased likelihood of a breach being reported •Financial and Reputational Damage as a result of ICO action. 	3	3	9	

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22	22	Lack of focus on delivery of strategic objectives	•Southway fail to deliver the objectives contained within the Futures Strategy	4	2	8	
23	23	Financial Regulation or Funder breach	•Regulatory action •Loan default.	4	2	8	
24	24	Board lack confidence in the Executive	•Delivery of objectives stall due to lack of coherent working relationship between Board and Exec	4	2	8	
25	25	Failure of Subsidiaries or Joint Venture to deliver returns	•Regulatory attention due to lack of control over subsidiaries	2	4	8	
26	26	Business plan stress testing not robust	•Inappropriate or inaccurate scenario testing fails to identify nature or scale of significant risk elements. •Long term viability threatened.	4	2	8	4 4/1
27	27	Restriction on lending limits the activities of subsidiaries and joint ventures	•Unable to deliver range of new projects.	3	2	6	12 3/4

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28	28	Culture not conducive to high performance	•Southway Staff do not sign up to Southway's vision and deliver excellent services to our customers	3	2	6	
29	29	Poor relationship management with key strategic partners	•Unable to fulfil corporate priorities due to lack of co-operation.	3	2	6	
30	30	Rent collection targets not achieved	•Resources are lower than anticipated reducing the services that Southway can provide to its tenants and communities.	2	3	6	
31	31	Inadequate control and operation of procurement	•Unnecessary costs incurred. •Challenge from unsuccessful bidder. •Regulatory downgrade due to Procurement Breach	2	3	6	
32	32	Failure to deliver Community Investment objectives	•Tenants and communities do not receive effective support.	2	3	6	
33	33	Negative impact of a decline in customer satisfaction	•Damage to Southway's standing within the sector and with its customer base	2	2	4	

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34	34	Business continuity failure	<ul style="list-style-type: none"> •Staff unable to deliver services to customers •Reputational damage as Southway is perceived as unable to handle disruption or unexpected events 	4	1	4	
35	35	Failure to deliver active asset management	<ul style="list-style-type: none"> •Not getting best possible return from assets •Investment in stock that could be sold 	2	2	4	