

# Risk Management Policy

Reviewed: Sep 18  
Next Review: Sep 21



## 1. Introduction and Purpose

1.1 Rosehill's vision is to provide excellent quality, affordable and efficient homes in neighbourhoods that are well managed and maintained; to contribute to sustaining communities where people feel safe and want to live by providing housing and other services and working with its voluntary and statutory partners.

1.2 The key to realising our Vision is through the delivery of our seven Strategic Objectives:

- Provide high quality and affordable homes through the maintenance and improvement of and investment in our housing and, the building of new houses that are well designed and efficient and meet identified needs
- Engage effectively with tenants and service users so that our service delivery meets their requirements
- Provide houses and services that are Value for Money for people who want to live in our communities
- Be innovative in developing services and activities that support our communities
- Build and contribute to effective partnerships to support the delivery of our vision and values
- Use our financial, human and other resources efficiently and effectively to achieve maximum benefit and full potential
- Demonstrate the highest standards of governance, accountability and compliance

1.3 The delivery of our Vision and Strategic Objectives is underpinned by our Core Values:

We Will

- Invest and Support

We will be

- Engaged and Responsive
- Accountable and Compliant

- Fair and Approachable
- Efficient and Responsible
- Excellent and Committed

1.4 We recognise that risk is part of the operation of any business and as such risk management is a fundamental business function.

1.5 The purpose of this Policy is, therefore, to set out our approach to risk management, which is undertaken within a framework comprising:

- Governance processes
- Risk Policy and Appetite statement.
- Identification, evaluation and management of risks
- Assurance and audit processes

## 2. Regulatory Standards

2.1 All RSLs must comply with The Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management. Regulatory Standard 4 states that "The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose."

2.2 The associated guidance for this Standard further states "The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit."

2.3 Rosehill recognises the critical importance of risk management, as a Regulatory requirement and as a management tool. Effective risk management can bring the following benefits:

- Enabling Rosehill to achieve its objectives, plans and targets efficiently and effectively;
- Protecting tenants' homes and interests;
- Maintaining the confidence of regulators, funders and other stakeholders;
- Safeguarding Rosehill's reputation and assets, and minimising any losses.

## 3. Defining Risk, Risk Management and Risk Appetite

3.1 Rosehill defines risk as "Any event or action that prevents it from maintaining good performance and/or from meeting pre-set targets, goals and plans and/or results in loss being incurred."

3.2 Risk Management is defined as “the systematic application of management policies, practices and procedures to the task of identifying, analysing, evaluating, treating, monitoring and reporting risks”

3.3 Risk Appetite is defined as “the amount of risk an organisation is willing to accept in pursuit of strategic objectives”.

#### 4. Risk Appetite Statement

4.1 At the centre of Rosehill's business, is its tenants and as such Rosehill conducts its business with the best interests of tenants in mind. In addition as an RSL, Rosehill is heavily regulated. It must comply with Regulatory and Legislative requirements, and must ensure it is compliant with its Rules.

4.2 These factors combined mean, generally, that Rosehill does not have an appetite for high risks. Its approach is to minimise risks where possible. That said, Rosehill does not see itself as being completely risk averse; it does not want to unduly restrict its ability to be a forward thinking and innovative organisation.

4.3 The above basis means Rosehill will not adopt a blanket approach to risk management. It will assess the level of risk associated with its activities, potential projects, initiatives, etc. on a case by case basis and in the context of to what extent these will achieve and deliver its Strategic Objectives. Therefore, its risk appetite may vary from activity to activity.

#### 5. Risk Context

5.1 Rosehill faces risks in all aspects of its business which can be internal, external, within the local and wider environment, they can be the result of activity/non-activity and change.

5.2 The Social Rented Sector continues to operate in an ever challenging environment:

- A culmination of the austerity measures introduced in recent years, which are set to continue, have seen local authorities having to make significant cost savings which has led to reduced services. The knock on effect on RSLs is that tenants are looking to them to fill the gaps in services e.g. pest control, cleansing/bulk uplift. RSLs are facing the challenge of becoming “all things to all people”;
- The ongoing roll out of various Welfare Reforms has created a harsh climate for tenants and landlords alike; the challenges of Universal Credit and direct payments to tenants pose a significant risk to the rental income of RSLs;

- Keeping pace with advances in technology whilst ensuring the most vulnerable of tenants are not digitally excluded;
- Various Government Policies including proposed EESSH2 and SHQS2 and the suite of fire safety measures to be implemented in the wake of the Grenfell tragedy;
- Achieving value for money – RSLs need to continually achieve/improve cost efficiency whilst preserving and enhancing quality of services including new services.

5.3 These challenges pose various risks and degrees of risk to Rosehill, not least of which relate to financial; the response to these risks will likely involve the need for innovation and strategic changes.

## 6. Risk Culture

6.1 Risks exist at all levels of Rosehill's business; strategic, team, individual and project level. In this context Rosehill fosters a culture of risk awareness and risk management throughout the organisation and encourages ownership at a collective and individual level, appropriate to staff's levels of responsibilities.

6.2 To support this a risk management structure is in place to ensure this is carried out effectively and is set out in detail in Section 7 below.

6.3 Rosehill will seek to ensure that risk management is embedded in its work in a range of ways. For example:

- The impact that different risk factors may have on Rosehill's ability to achieve its overall strategic objectives will be an integral part of the annual review of the Business Plan;
- Rosehill's organisational culture and working procedures and practices will promote a strong awareness of risk, and effective methods for managing and mitigating risk.
- Where matters are presented for committee decision, reports will provide information about any risks identified, whether they should be accepted, invite comment by Committee and state how they should be managed.

## 7. Approach to Risk Management

7.1 Rosehill considers risk under broad categories which fall under two overarching areas:

- Strategic – relates to the strategic objectives and the issues that can impact on their successful delivery and achievement e.g. legislative and regulatory changes and government policy.
- Operational – relates to the day-to-day issues that arise within our business teams and their work to support the delivery of our strategic objectives.

## 7.2 Broad Categories of Risk

7.2.1 To ensure our approach to Risk Management is clear and supports our objective to foster a culture of risk awareness and risk management throughout the organisation, we consider risks in the following context:

- Financial
- Governance/Compliance
- Technology and Knowledge Management
- Reputation/Relationship Management

7.2.2 These risk categories are considered at strategic and operational levels.

## 7.3 Risk Management Cycle

7.3.1 Rosehill applies a risk management cycle of identification, assessment, management/control and monitoring/reporting.



## 7.4 Risk Mapping/Scoring

7.4.1 Rosehill uses a scoring system to highlight the significance of different risks occurring at any particular point in time. Overall risk scores are calculated by multiplying ratings for impact and likelihood on a scale of 1 to 5. The higher the overall risk rating, the greater Rosehill's potential risk exposure. The following Risk Map sets out how risk scores are calculated:

Risk Scoring Mechanism			Risk Score				
Likelihood	5	Almost Certain	5	10	15	20	25
	4	Likely	4	8	12	16	20
	3	Possible	3	6	9	12	15
	2	Unlikely	2	4	6	8	10
	1	Very unlikely	1	2	3	4	5
Impact			1	2	3	4	5
			Insignificant	Minor	Moderate	Major	Extreme

7.4.2 This method of assessing risk is designed to help the Management Committee, Senior Management and Management Team to focus clearly on the most material risks to Rosehill and its ability to achieve its strategic objectives and targets.

## 7.5 Risk Registers

7.5.1 Rosehill will identify the most material risks to which it is potentially exposed. The results of this exercise will be recorded in a Risk Register that will set out all the strategic and operational risks identified.

7.5.2 Rosehill identifies and considers material risks as part of its annual business planning process. This involves the Management Committee, Senior Management and the Management Team. Each of these groups identify risks associated with Rosehill's existing and planned activities and formally records these; risks are rated (as set out in Section 7.4) and held on our risk register in order of significance. Rosehill also considers risks on an ongoing basis and updates the register accordingly.

7.5.3 The risk register is divided in to four parts:

- Material Risks
- Medium Risks
- Low Risks
- Impact Analysis

7.5.4 The material risks are monitored by the Audit Sub-Committee with regular reports from the Management Team. This ensures the Sub-Committee focuses on the most significant risks facing Rosehill with the Management Committee receiving reports and minutes as appropriate.

The medium and low risks are monitored by the Management Team and if changes are required these are reported to the Audit Sub-Committee, again with the Management Committee receiving reports and minutes as appropriate.

The Impact Analysis is used to ensure that controls in place are adequate for the impacts identified should a risk crystallise.

## 7.6 Responding to Risk

7.6.1 Once risks have been identified and scored for both Impact and Likelihood, a risk management response needs to be planned.

7.6.2 The type of response will be determined by:

- the level of risk,
- the ease and cost of mitigation strategies, and
- the nature of the risk.

7.6.3 Rosehill will respond to risk in one of the following ways:

- ***Transfer the risk:*** this might be done through such things as conventional insurance or by asking a third party to take on the risk in another way.
- ***Tolerate the risk:*** our ability to take effective action against some risks may be limited, or the cost of taking action may be disproportionate to the potential benefit gained. In addition this risk response is likely to be applied where the likelihood or impact is low. In such circumstances the management action required is to monitor the risk to ensure that its likelihood or impact does not change.
- ***Treat the risk:*** by far the greater number of risks will be in this category. The purpose of treatment is not necessarily to terminate the risk but, more likely, to set in train a planned series of mitigation actions to contain the risk to an acceptable level.
- ***Terminate the risk:*** this is a variation of the 'treat' approach, and involves quick and decisive action to eliminate a risk altogether. This response would be applied where it is determined the risk is too high.



## 7.7 Responsibilities for Risk Management

- 7.7.1 As mentioned earlier risk exists throughout all levels of Rosehill business and as such input is required across the organisation at varying levels of involvement. However, to ensure the effective implementation of risk management and that all involved have a clear understanding of what is required, we have set out the key roles and responsibilities as follows:

### Management Committee

- 7.7.2 The Management Committee will be involved in identifying and assessing key risks firstly as part of the annual business planning process and thereafter throughout the year as it considers reports presented to it. The Management Committee also has overall responsibility for overseeing and monitoring Rosehill's approach to risk management but has delegated this, in the first instance, to the Audit Sub-committee which will consider risk on a quarterly basis. The Management Committee is responsible for approving changes to Rosehill's policy, and for approving involvement in new activities and initiatives, taking full account of the risks involved.

### Audit Sub-Committee

- 7.7.3 The Sub-Committee is responsible for monitoring material risks on a quarterly basis. In addition it will review any changes to the medium and low risks. The Sub-Committee reports to the Management Committee on any changes to the risk registers. The Audit Sub-Committee is also responsible for overseeing external and internal audit activity including approving the Annual Internal Audit Programme.

### Staffing and Health and Safety Sub Committee

- 7.7.4 The Sub-Committee is responsible for ensuring that effective risk management is practised in relation to health and safety matters.

### Senior Management and Management Team

- 7.7.5 Rosehill's Director has overall responsibility for ensuring that this policy is implemented effectively. The Management Team, in conjunction, with the Management Committee will be involved in identifying and assessing key risk as part of the annual business planning process.
- 7.7.6 Ongoing, the Management Team are responsible for monitoring the material, medium and low risk registers on a monthly basis with any significant changes being reported at the next available Audit Sub-Committee meeting.

7.7.7 The Management Team is also responsible for ensuring identified risks associated with any proposed new projects, initiatives, activities are presented to the Management Committee in a timely fashion.

#### Managers and Staff Team

7.7.8 Managers are responsible for ensuring effective risk management in their business areas, as described in the Risk Register and in Rosehill's policies and procedures. Managers are also responsible for holding monthly discussions with members of their own teams to consider and review day-to-day operational issues they have to deal with and their work to support the delivery of Rosehill's Strategic Objectives.

7.7.9 All staff have an important contribution to make to risk management and participating fully in monthly team reviews will assist with this. Staff's contribution can also be achieved by following Rosehill's policies and procedures and by acting to safeguard Rosehill's reputation and assets at all times.

#### 7.8 Annual Risk Strategy Statement

7.8.1 This is prepared as part of the annual review of the Business Plan and includes:

- Identification of key strategic risks during the Business Plan review period, and summary of risk management methods;
- Reporting of material risks which crystallised during the previous 12 months, and their impact;
- Reporting of proposals for changing risk management methods, in response to material risks which crystallised.

#### 7.9 Communication and Implementation

7.9.1 This relates to the:

- Communication of Rosehill's Business Plan priorities/action plans and Risk Register to The Management Committee and Rosehill's full staff team;
- Production of Annual Section Operational Plans and individual Staff Work Plans that flow from Rosehill's Strategic Objectives and identified annual Activities/Priorities;
- Implementation of policies, procedures and other risk management methods described in the Risk Register;
- Publication of a suite of Corporate Statements e.g. Risk Management for inclusion in all policies;

- Continuous monitoring of performance (and associated risks);
- Reporting of performance (and associated risks) to the Management Committee and Sub-Committees

## 7.10 Risk Assurance

7.10.1 A fundamental part of effective risk management is having mechanisms in place to obtain assurance. This is typically achieved through the use of Internal Audit, Health & Safety Audits and satisfaction surveys.

## 8. Links to other Policies

8.1 This Policy sets out Rosehill's approach to risk management. In keeping with our aim of embedding risk management throughout the organisation, risk management issues are an integral part of Rosehill's policies and procedures for specific services and activities.

## 9. Equality and Diversity

9.1 We are committed to ensuring equal opportunities and fair treatment for all people in our work. In implementing this Policy, we will provide a fair and equal service to all people, irrespective of factors such as gender, race, disability, age, sexual orientation, language or social origin, or other personal attributes.

9.2 We are committed to removing any barriers to communication. Therefore if required this Policy can be produced in another format e.g. braille, large print, etc. In addition where English is not the person's first language, Rosehill will provide on request written information in the first language.

## 10. Complaints Procedure

10.1 We aim to get things right first time and provide a good quality service to our tenants. However, we acknowledge that things can go wrong and that some tenants may be unhappy with the service provided.

10.2 We promote our Complaints procedure through our website and periodic articles in our newsletters. In addition we initially issued all of our tenants with a copy of the new Procedure introduced in October 2012. This information leaflet is also issued to all new tenants as part of the signing up pack.

## 11. Data Protection

11.1 On the 25<sup>th</sup> May 2018 the legislation governing data protection changed with the introduction of the General Data Protection Regulation (GDPR).

- 11.2 We hold a variety of Personal Data relating to individuals including tenants, waiting list applicants, factored owners, other service users, employees and Committee Members. Our Privacy Policy sets out the basis on which we can process and share such data with third parties, it also sets out how we will securely store individuals' data, whether electronically or in paper format. It also provides information on individuals' rights under GDPR including: to view personal data held about them by us; to request a restriction of processing of their data; the right to be forgotten and a right to object to us processing their data. In terms of the rights to be forgotten and to restrict or object to processing of Personal Data, any such requests will require to be considered on their own merits and legal advice will need to be obtained in some circumstances. We have the responsibility for accepting or refusing such requests and will do so in writing.
- 11.3 Under GDPR we are required to provide all customers whose Personal Data we hold with a Fair Processing Notice (also known as a Privacy Notice). The Notice sets out the Personal Data we process and the basis for doing so.
- 11.4 We will only keep and process Personal Data for the original purpose we gathered it for and we will not keep it for any longer than necessary. Attached to our Privacy Policy is a table of Retention Periods for Personal Data held and processed by us. We recognise that not all Personal Data can be processed and kept for the same period of time, and this will vary depending on the individual circumstances of each person whose Personal Data we hold.
- 11.5 The Privacy Policy sets out what should happen in the event of a Data breach e.g. does the breach require reporting to the Information Commissioner's Office and whether the individual affected should be notified. Timescales are set out for dealing with data breaches.
- 11.6 Full copies of our Privacy Policy are available upon request at our office or from our website [www.rosehillhousing.co.uk](http://www.rosehillhousing.co.uk)
12. Policy Review
- 12.1 This Policy will be reviewed every three years or sooner to ensure it continues to reflect current thinking and practice and to comply with legislative requirements and regulatory guidance.