



RISK ASSESSMENT POLICY

**Updated
July 2018**

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1. EMSH and risk assessment

- 1.1. East Midlands Shelter for the Homeless will ensure that risk management is an integral part of the Association at a strategic and operational level. Effective risk management will contribute to the Association achieving its aims and objectives.

2. Equal Opportunities Statement

- 2.1. EMSH is committed to achieving equality of opportunity to those we house, employ or provide services. The Association is committed to encouraging diversity, eliminating discrimination and providing equality of opportunity for all.
- 2.2. **Definition of Risk-** Risk is defined as the position of an event occurring that will have an impact on the achievement of the objectives set out in the Internal management Plan.
- 2.3. **Risk Management-** is defined as a structured, continuous process to identify, manage and respond to risk.
- 2.4. **Internal Management Plan-** is defined as the overall governance of EMSH dictated by all policies.

3. Objectives

- 3.1. The Associations objectives for risk management are:
 - 3.1.1. To provide a culture of risk awareness
 - 3.1.2. To ensure compliance with regulatory and legal requirements
 - 3.1.3. To assist in the process of good governance by the Management Board
 - 3.1.4. To focus on mitigating high and medium risks

4. Responsibilities

- 4.1. The Directors have overall responsibility for risk management and will:-
 - 4.1.1. Approve the Risk Management Policy.
 - 4.1.2. Evaluate new, current or emerging risks.
 - 4.1.3. Approve the Internal Management Plan which will include high and medium

risks.

- 4.1.4. Will review risks annually through the Internal Management Plan process.
 - 4.1.5. Identify risks linked to the strategic and operational objectives in the Internal Management Plan.
 - 4.1.6. Have risk as a standing item on the monthly Board agenda to evaluate new, current and emerging risks.
 - 4.1.7. Will maintain the risk register and record risks for which they are responsible.
 - 4.1.8. Will review the risk register annually to ensure it is up-to-date.
 - 4.1.9. Will assess risk, put control measures in place and consider further action, if required.
 - 4.1.10. Will review risk annually through the Internal Management Plan process.
 - 4.1.11. Will include high and medium risks in the Internal Management Plan with control measures to manage these risks.
- 4.2. A Risk Management Committee may be established when EMSH deem it prudent to do so.

5. Likely Risks for EMSH

- 5.1. Social Housing providers are vulnerable to the usual risks of domestic properties. These include **Fire Hazards and Dangerous Substances** and **General Fire Precautions**. All of the properties run by EMSH must abide to the standard set by the Home Standard Policy. As EMSH is a business entity it is also subject to **Financial Risks** (see section 23. Financial Policy).

5.1.1. Fire Hazards and Dangerous Substances

5.1.1.1. Fire Hazards

- 5.1.1.1.1. Electrical- Electrical Equipment and Circuits are tested only by NICEIC qualified Electricians. Electrical light fittings are clear from combustible material. Portable electrical equipment subject to a system of routine testing (PAT Testing). Sockets and cables are kept to a suitable condition without visible signs of defects. Suitable arrangements must be in place to prevent ignition of flammable liquids, gases or dusts from electrostatic discharge.
- 5.1.1.1.2. Kitchen Equipment- Kitchen Equipment such as ovens and deep fat fryers must be subject to system of routine cleaning and maintenance. Emergency cut-off switches must be free from obstruction and clearly indicated.

- 5.1.1.1.3. Hot work Processes- Must have satisfactory arrangements in place.
- 5.1.1.1.4. Naked Flame- Must have satisfactory arrangements in place.
- 5.1.1.1.5. Housekeeping- Housekeeping must be well managed, especially so in high risk areas.
- 5.1.1.1.6. Waste Management- Must have satisfactory arrangements in place.
- 5.1.1.1.7. Smoking Activities- Must have satisfactory arrangements in place and enforced.
- 5.1.1.1.8. Furniture and Furnishing- Must be in a good state of repair.
Curtains/Drapes must fall within compliance with flammability requirements.
- 5.1.1.2. Dangerous Substances
 - 5.1.1.2.1. Highly Flammable Substances- Must have satisfactory arrangements in place.
 - 5.1.1.2.2. Gas Systems and Appliances- Must be maintained by a Gas Safe Engineer on a regular basis. The mains gas intake must be housed in a suitable compartment with adequate ventilation and free from all ignition sources. Emergency gas shut off controls must be readily accessible and unlikely to be impeded.
 - 5.1.1.2.3. Highly Flammable Gases- Must have satisfactory arrangements in place.
 - 5.1.1.2.4. Combustible Dust- Must have satisfactory controls and collection in place for combustible dusts.
- 5.1.2. **General Fire Precautions**
 - 5.1.2.1. Firefighting Equipment
 - 5.1.2.1.1. Fire Extinguishers- Must have correct types and numbers of extinguishers and must be attached to walls. Fire blankets must be in place to deal with the most likely source of ignition, including equipment that deals with multi fuel fires. All must be free from obstruction and checked on a regular basis to ensure full and satisfactory.
 - 5.1.2.1.2. Fire Suppression- Must have satisfactory arrangements in place.
 - 5.1.2.1.3. Sprinkler System- if installed must have satisfactory arrangements in place.
 - 5.1.2.2. Fire Detection and Warning
 - 5.1.2.2.1. Detection and warning systems- Must be appropriate for type of

building. Level and type must be satisfactory in all parts of building. All manual call points must be easily accessible and correctly positioned.

5.1.2.3. Emergency Routes and Exits

5.1.2.3.1. Exit and Travel Distances- All emergency routes and exits must lead to a place of safety. The distances must fall within the required recommendations. There must be sufficient emergency exits from the building. The exits must be available at all material times. All emergency fire exit doors must open in direction of escape. All doors must be kept in a good state of repair as well as any joining steps or platforms. The doors must have approved emergency fastenings.

5.1.2.3.2. Obstructions an Emergency Routes- All exits and routes must be clear from all obstructions including internal routes and exits.

5.1.2.3.3. Fire Signs and Notices- All emergency exits and routes must be adequately indicated by appropriate signs. All emergency exits must have external 'Fire Exit Keep Clear' signs. Fire resting doors must be clearly indicated with appropriate signs. Assembly points must be clearly displayed. All emergency exit operating mechanisms must be clearly indicated by appropriate signs.

5.1.2.3.4. Emergency Lighting- All emergency lighting where required must activate during mains failure. All lighting must be maintained in working order and free from obvious defects.

5.1.2.3.5. Fire Resisting Doors- Where required the doors must be to standard. Intumescent strips and smoke seals (where required) must be provided to all fire resisting doors. Self-closers must be in place where required and to a satisfactory state of repair. The doors must be kept closed and free from air transfer grills.

5.1.2.3.6. Containment and Separation- High risk areas must be separated from the remainder of the building by appropriate standard of fire resistance. All separations must be maintained to a high standard state of repair.

6. Framework

6.1. The Association will have a framework in place to identify and assess risks. These are:-

6.1.1. Risk identification

6.1.2. Risk assessment

6.1.3. Risk appetite

6.2. Risk Identification

6.2.1. The Management Team will identify risks that need to be addressed to enable the Association to achieve the strategic and operational objectives set out in the Internal Management Plan. In addition, the Board and Management Team will have risk as a standing item on their agendas so that new and emergency risks can be assessed

6.2.1.1. The following risk monitoring procedures are in place

6.2.1.1.1. Sufficient and adequate fire safety procedures (see above)

6.2.1.1.2. Sufficient and adequate financial risk prevention procedure in place (see Financial Policy)

6.3. Risk Assessment

6.3.1. The risk assessment process is as follows:-

- 1 Identify Risk
- Once a risk has been identified it will be assessed against two criteria:-
- **Likelihood and Impact**

6.3.1.1. **Likelihood** is defined as follows:-

- Low (1) Unlikely to happen in the next three years.
- Medium (2) Could happen in the next three years.
- High (3) Probable in the next three years.

6.3.1.2. **Impact** is defined as follows:-

- Low (1) Has an impact but does not fundamentally affect the operation of the Association.
- Medium (2) The Association must take active steps to respond.
- High (3) Impact is such that objectives cannot be achieved.

6.3.1.3. Calculate gross risk score - likelihood x impact.

6.3.1.4. Consider control measures.

6.3.1.5. Calculate net risk score - revised likelihood x revised impact.

6.3.1.6. Monitoring process.

6.3.1.7. Manager responsible.

6.3.1.8. Further action, if required.

6.4. Risk Appetite

- 6.4.1. Risk appetite is the amount of risk that the Association is prepared to accept to achieve its objectives.
- 6.4.2. The Association considers a gross risk score of 9 to be significant and control measures will be required to mitigate the risk to a net score of 6.
- 6.4.3. Risks with a gross score of 6 or 9 will be included in the Internal Management Plan with controls to mitigate risk and further action, if required.
- 6.4.4. Risks with a gross score of 4 or less will be monitored at Management Team meetings as stated above

7. Risk Register

- 7.1. Strategic Risk Assessment form to be completed for strategic and operational objectives and held in the Risk Register.

8. Key Financial Risks

- 8.1. Failure to recover rental payments
 - 8.1.1. During year one, two and three, a large proportion of EMSH rental income will be housing benefit. With a percentage of housing benefits under schemes such as Universal Credit going straight to the tenant, there is an increased risk of EMSH not receiving rental payments for many service users. This would have a dramatic effect on cash flow and may ultimately result in other services being compromised to meet our objectives under standards set by the board of management.
 - 8.1.2. To prevent this from occurring, the board have devised a structure that will put preventative measures in place to reduce the risks identified. During year one and two, we plan to include in our policy, a condition that the service user must agree to payments being made directly to EMSH. This will be administered under the standard method of completing a 'Direct Payments to Landlord' form and submitting this to the local council. This will ensure that there will be minimal issues with cash flow and will not pose a risk to the general running of the housing association.

8.2. Maintenance Costs Too High

8.2.1. As EMSH grows and more properties are let with more service users in those properties, there is a greater risk of maintenance costs being too high during any given month during the calendar year. For example, during one week three properties could have central heating damage in one week. If such an event was to occur, the capital would not be available to give full repair to all three properties, resulting in the properties being hazard due to cold and out of use until fund become available, this will affect the Home standards we must abide to. This would have a dramatic effect on the finances of the organisation and could potentially result in the organisation under great financial stress.

8.2.2. To prevent financial stress from occurring, EMSH will put in a strict maintenance regime in which properties are checked monthly from both structural damage to minor improvements. This will be managed by the 'head of maintenance' whom we plan to hire during year two. During year one, maintenance of properties will be ran by the Board until such a position is filled.

8.2.3. To reduce this risk we are only going to be leasing properties which already have HMO Licenses, this is to ensure that the properties we lease are to a suitable standard and we will negotiate with the landlords a maintenance plan with-in the leases contract. Pre assessment and regular monitoring and checking the properties is vital to make aware or any maintenance problems that could potentially occur in the future.

8.3. **Administrative Errors Resulting in Benefits Not Being Paid**

8.3.1. Under certain bands of EMSH's Allocation policy it will be service users responsibility for managing their own application for benefits. This may result in errors occurring during that process which will halt the application from being processed, thus becoming a service user with EMSH.

8.3.2. This could result in lettings being vacant for extended periods of time providing no income to the organisation and could have a harmful effect on cash flow. To remedy this, we will include in our policy that during year one and two, an agreement between EMSH and the service user that we will organise permission for us to speak to their respective benefits office on their behalf.

8.3.3. This will not only reduce the risk of cash flow being harmed but also provide security for the service user that their application is being managed. This will be administered under the standard method of completing an 'Authority to Disclose' form and submitting this to the local council.

8.4. Cost of Utilities

8.4.1. We will constantly look at obtaining the cheapest utility costs by using comparison websites and making sure we have a minimum of at least 5 quotations. The board will discuss these utilities and then choose the most reliable service provider.

8.5. **Cleaning Costs**

8.5.1. Cleaning of properties is essential as to help with identifying property issues that can potentially occur but to also aid the service user in maintaining a level of personal hygiene. Cleaning will be done by a reputable company, with reference enquiries made to the standard of work they perform in line with our Procurement Policy.

9. **Risk Management Framework**

9.1. EMSH has agreed upon a risk management policy which states: “EMSH recognise the importance of risk management and will do the utmost to ensure that full measures are put in place to prevent the occurrence of

anything socially or economically hazardous to both service users and our organisation.” (Michael Comerford, 2016)

- 9.2. In practise, EMSH have developed a comprehensive risk management plan comprised of a fully robust structure and policy driven procedure as well as comprehensive insurances which will make up our Risk Management Strategy.
- 9.3. We understand that it is impossible to prepare for every eventuality, however we plan to hold meetings amongst the board of management monthly and will include in that meeting, a discussion on our Risk Management Strategy and what has changed since the last discussion was held. We will change our living document according to these meetings.
 - 9.3.1. Any raised Medium or High Risks shall be discussed at the monthly Board Meetings. Any High and immediate risk notified to our Board shall result with an emergency Board meeting being called as soon as possible.
 - 9.3.2. Any concurrent key risks shall be reviewed at every Board Meeting that takes place whilst the risk is still occurring. This is to ensure all risks are dealt with in a timely and orderly fashion.
 - 9.3.3. Any risk that may not be remedied by the board and general EMSH action shall be made priority for the board who will then take further action to mitigate such risks.
- 9.4. **Specific Areas Covered:**
 - 9.4.1. Board Control
 - 9.4.2. Compliance with Legislation
 - 9.4.3. Development
 - 9.4.4. Housing Management
 - 9.4.5. Housing Maintenance
 - 9.4.6. Financial Management
 - 9.4.7. Insurances

- 9.4.8. Human Resources (HR Issues)
- 9.4.9. Equality & Diversity
- 9.4.10. Health & Safety
- 9.4.11. Staff Security
- 9.4.12. Security of Buildings and Assets
- 9.4.13. Business Strategy
- 9.4.14. Unforeseen events
- 9.4.15. Business Continuity

10. Risk Assessing

10.1. Health and Safety Risks

10.1.1. Risks will be monitored by scheduled inspections of all properties on a 2 weekly basis as well as prior to when a service user takes residence and once a service user terminates their licence.

10.1.1.1. On every inspection the inspecting officer shall ensure all walkways, fire exits, fire safety equipment and heating equipment are free from obstruction and working. Smoke and heat detectors shall be tested. They will ensure there are no visible risks on the interior and exterior of the property. They will ensure all lights and signs are in the correct place and are working. Fire resistance doors will be checked to ensure they still have the auto-close function. Fire extinguishers will be checked to ensure they are full and attached to the wall in the correct place.

10.1.1.2. Gas, plumbing, electrical and other hazardous elements will be inspected by qualified professionals as often as required by current legislation.

10.2. Risks are assessed and given a rating of between 1 (low) to 3 (high) for two categories; 'impact' and 'likelihood of occurring'. The two scores are multiplied and make up the following results:

Score	Risk
1 to 3	Low Risk
4 to 6	Medium Risk
7 to 9	High Risk

10.3. Risk ratings are assessed quarterly by the board of management. All medium and high risks will be reported and documented and will be paid immediate attention.

