

## Appendix 3

### Folkestone & Hythe District Council housing management service: Risk analysis of a decision to create an in-house service

An options appraisal was completed in October 2019, reviewing the delivery of housing management services provided by East Kent Housing (EKH) on behalf of Canterbury City Council, Dover District Council, Folkestone and Hythe District Council and Thanet District Council. The four councils agreed that the preferred option for future service provision to the four councils' tenants and leaseholders is that it should become an in-house service, subject to consultation. Between 22 October to 20 December 2019, EKH tenants and leaseholders were invited to express their views on the future of the council's ALMO, East Kent Housing, through a test of opinion.

The format of this document will ensure compliance with the Government guidance on the consideration of the future of local councils' ALMOs dated December 2011 (Appendix 1). 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).

	<b>Risk</b>	<b>Likelihood 1-5</b>	<b>Impact score 1-5</b>	<b>Combined score 1-10</b>	<b>Mitigation</b>
1.	Short term loss of key executive level staff with impact on service quality.	2	2	4	New posts of Director of Transition and Transformation and Director of Housing & Operations approved. Appointment of interims if necessary.
2.	Short term loss of key technical staff with impact on stock condition.	3	4	7	Appointment of interims if necessary.  Where possible, EKH staff will TUPE transfer to the councils.  It has been identified that the councils need to introduce a strategy to deal with those staff not identified to TUPE, although this has not yet been agreed, hopefully this will also contribute to minimising staff losses.

3.	Loss of focus on services and reduction in performance during transition.	2	4	6	Implementation of an effective performance management and monitoring strategy / scrutiny arrangement.  Implementation of an effective communication strategy.
4.	Stability and therefore performance of EKH is affected by lack of staff / reliance on interims.	3	4	7	Each council continues to measure and manage performance, identifying a well-resourced package of specialised staffing support to address any issues arising.  Implementation of an effective staff communication and engagement strategy.
5.	Revised governance arrangements leading to less tenant and leaseholder involvement.	1	4	5	Early creation of Tenant and Leaseholder Panel.
6.	Loss of service quality arising from reduced staff morale.	3	4	7	Implementation of an effective HR strategy to support staff, ensuring necessary training and development is in place.  Implementation of an effective staff communication and engagement strategy.
7.	Loss of service quality arising from IT complications.	3	4	7	Early meeting with IT to identify issues (e.g. the full implementation of the single system) and develop a project action plan.
8.	Loss of service quality in strategic housing arising from overstretch.	3	4	7	Appointment of specialist interims if necessary.
9.	Cost of transition over-runs.	3	2	5	Adequate budget created and project management to include control.
10.	The council's consultation and decision making process are challenged.	2	1	3	Continue to comply with statutory guidance and good practice.
11.	Changes in Government guidance of statutory requirements during the transition.	1	2	3	None possible.

12.	Excessive short-term expectations from tenants and leaseholders.	4	3	7	<p>Manage expectations via published material and meetings with tenants and leaseholders.</p> <p>Implementation of a tenant and leaseholder communication strategy.</p>
13.	Unreasonable expectations of the future service arising from consultation.	3	3	6	<p>Manage expectations via published material and meetings with tenants and leaseholders.</p> <p>Implementation of a tenant and leaseholder communication strategy.</p>
14.	Insufficient senior staff capacity to support the transition project.	2	2	4	<p>New posts of Director of Transition and Transformation and Director of Housing &amp; Operations approved.</p> <p>FHDC approved £250,000 from its HRA in 2019/20 and 2020/21 (split to be determined) to support interim transition management costs, subject to option 2 being supported (Cabinet report reference C/19/29).</p> <p>Use external specialists if necessary.</p>
15.	Changes in the required extent of reintegration of services made after reorganisation has started.	2	4	6	Identify the risks clearly at the start of any reorganisation.
16.	One or more of the four councils begins an aggressive recruitment campaign from EKH prior to the transfer date.	2	3	5	<p>The four council Chief Executives currently and will continue to meet fortnightly to discuss EKH.</p> <p>Regular transition monitoring by the four council Chief Executives.</p> <p>Co-ordinated and effective implementation planning to pinpoint decisions points and milestones throughout the transfer.</p>
17.	Redundancy costs are unaffordable due to the pool of staff subject to	2	4	6	Regular transition monitoring by the four council Chief Executives and HR teams.

	TUPE being very small and many of the remaining staff are not interested in being recruited by the Councils.				Co-ordinated and effective implementation planning to pinpoint TUPE implications throughout the transfer.
18.	No/limited EKH staff want to work for the four councils.	2	3	5	<p>Comprehensive HR communication plan to keep EKH staff informed of the project timescales, job opportunities, staff benefits etc. if they chose to transition to one of the four councils.</p> <p>Talent management plan developed identifying key people and knowledge and puts measures in place to secure these key people.</p>