

PUBLIC
DERBY HOMES BOARD
STRATEGIC AND OPERATIONAL RISK REGISTERS
2025/26
THURSDAY 24 APRIL 2025

<p>ITEM NO. Enc. 12</p> <p>PRESENTER: Michael Kirk</p> <p>Please delete as appropriate: Finance Risk Governance</p> <p>Please delete as appropriate: Approval</p>

REPORT OF (OWNER) AND EMAIL
Michael Kirk michael.kirk@derbyhomes.org
REPORT AUTHOR AND EMAIL
As above

1.	SUMMARY
1.1	This report presents the proposed strategic and operational risk registers for 2025/26. The registers have been compiled after consideration of outputs from the risk review, and refresh undertaken by the Senior Management Team on 23 January 2025. The registers were considered by the Audit Committee on 24 February 2025.
1.2	The strategic and operational risk registers set out the risks which impact Derby Homes’ ability to achieve its aims and objectives, the controls and mitigating actions put in place to address those needs.
1.3	Following the annual review, there are a total of 8 risks in the strategic risk register, with changes made presented in paragraphs 4.6. it should be noted there is one high risk in the strategic register: Failure to meet delegated duties in respect of housing demand in the city.

2.	RECOMMENDATIONS
2.1	To approve the proposed Strategic and Operational risk registers for 2025/26 as shown in Appendix 1 and 2.
2.2	To note that the Audit Committee oversees the strategic risk register throughout the year and will report any concerns arising.
2.3	To note the revised operational risk register for 2025/26 set out in Appendix 2, and that management of this risk register is delegated to the Executive Management Team, with the support of the Senior Management Team.

3.	REASONS FOR RECOMMENDATIONS
3.1	<p>To ensure that Derby Homes has adequate risk management arrangements in place, and to ensure that the most significant strategic risks which could impact on the delivery of Derby Homes' objectives are identified and clearly managed.</p> <p>The Audit Committee's role is to "Keep under review the company's risk management system". By reviewing the annual risk registers and recommending these for approval by the Board, plus periodic reviews of the in-year risk registers, that role is fulfilled.</p>
3.2	<p>It is the responsibility of the Board and every risk owner to identify emerging risks. <i>'Risk management shall be an essential part of governance and leadership, and fundamental to how the organisation is directed, managed and controlled at all levels¹.'</i></p>

4.	MATTERS FOR CONSIDERATION
4.1	<p>The Risk Management Strategy states that the strategic and operational risk registers will be formally reviewed by the Senior Management Team, the Board of Derby Homes, and the Audit Committee, on an annual basis. The purpose of the review is to consider whether:</p> <ul style="list-style-type: none"> • The risks set out in the register are still relevant, and whether the probability and impact are up-to-date, and representative of the risk involved. • The actions and controls in place are still adequate and appropriate. • Any further action is necessary to help mitigate the risk. • Any new risks should be added to the register.
4.2	<p>The strategic and operational risk registers were looked at in detail by the senior management team, as part of the business planning process, to ensure that they reflect the organisations current position on 23 January 2025.</p>
4.3	<p>Derby Homes' overall risk appetite is to be, 'creative and open to consider all delivery options and will select those with the highest probability of productive outcomes, whilst being aware of the impact of its key decisions.'</p> <p>However, it is acknowledged that there are elements where the general approach does not apply, and it will need to vary depending on the nature of the service. Therefore, our risk appetite has been considered for each of the risks in the proposed risk registers (Appendices 1 and 2).</p>
4.4	<p>It should be noted that as a result of the review, 3 strategic risks have had their cause amended, no risks have been deleted, and no new risks have been added to the risk registers; these updates are identified in Appendix 1.</p>
4.5	<p>If approved, the proposed risk registers will come into effect for the financial year 2025/26. The registers will be monitored on a quarterly basis by the senior management team, and quarterly, on an exception basis by Derby Homes Board.</p>

¹ The Orange Book Management of Risk – Principles and Concepts – HM Government

4.6	<p>Strategic Risk Register</p> <p>Strategic risks are those which are critical to the direction of an organisation, and may be driven by government policy, or a change in stakeholder requirements. The updated risk register is set out in Appendix 1, following the formal review by the senior management team in January.</p>
4.6.1	<p>It is proposed that the following strategic risks are updated:</p> <p>SR01 – National, local political and regulatory changes impacting on our business – Risk cause is re-worded to reference the Consumer Standards and Housing Ombudsman Complaints Code, updated for 2025/26, and future Local Government Reform, including the review of Housing Services.</p> <p>SR02 - Risk of ineffective governance arrangements and financial management to Derby Homes reputation, financial standing and regulatory standing – Risk cause updated to include, <i>‘Failure to adequately plan for possible inspection from RDH re Consumer Standards’</i>, and <i>‘Failure to implement Complaints Handling Code from the Housing Ombudsman’</i>.</p> <p>SR04 - Failure to comply with statutory health & safety duties, resulting in harm - Risk cause updated to include, <i>‘Failure to comply with Building Safety case obligations’</i>, and <i>‘Failure to deliver on “Big 6” compliance measures’</i>.</p>
4.6.2	<p>All but 3 of the strategic risks are within the tolerance of the organisation. The following 3 risks continue to be rated higher than the target risk score:</p> <p>SR01 – <i>‘National, local political and regulatory changes impacting on our business’</i> – Many elements of political and regulatory decisions can impact us, and specifically in 2025/26 are the Consumer Standards from the RSH and Complaints Handling Code from the Housing Ombudsman. Additionally, the roll out of Local Government Reform needs to be proactively planned for.</p> <p>SR08 – <i>‘Contingency plans to ensure business continuity are adequate’</i> – risk remains low and continues to be treated via the controls in place.</p> <p>SR09 – <i>‘Failure to meet delegated duties in respect of housing demand in the city’</i> – continues to be rated as high risk, with focus on the issue being considered at the highest levels of the Council and Derby Homes.</p>

4.7	Operational Risk Register Operational risks are those which are encountered during the day-to-day running of the organisation, and management of this risk register is delegated to the Executive Management Team. A summary of the updated operational risk register is set out in Appendix 2.
4.7.1	These risks have been established from the Derby Homes Delivery Plan, review of the PESTLE, (political, economic, social, technological, legal, and environmental), and recommendations from the annual review. The senior management team will monitor progress risk and recommend updates to the Board where appropriate.
4.7.2	No changes have been proposed to the operational register, with all risks remaining valid.

5.	OTHER OPTIONS CONSIDERED
5.1	N/A

6.	IMPLICATIONS
6.1	Legal/Confidentiality This report contains confidential information as defined in Standing Order 20.2 (x) of Part IV of the Derby Homes Governance Arrangements.
6.2	Consultation – N/A
6.3	Equalities impact assessment – N/A
6.4	Financial and business plan – N/A
6.5	Council- N/A
6.6	Environmental – N/A
6.7	Risk A robust approach to managing risk is essential to support Derby Homes in achieving its objectives. The strategic risk register helps mitigate the risks which impact significantly on the Company’s ability to achieve these objectives. In setting risk ratings, the guide in Appendix 3 has been used as the framework.
7.	Background information
7.1	N/A
8.	Appendices
8.1	Appendix 1 – Strategic Risk Register 2025/26
8.2	Appendix 2 – Operational Risk Register 2025/26
8.3	Appendix 3 – Risk Register Ratings Guidance

This report has been approved by: (Add or delete as necessary).

Managing Director	Maria Murphy	14.04.2025
Finance Director & Company Secretary	Michael Kirk	31.03.2025
Governance Manager (checked)	Jane Haywood	09.04.2025

Reports have only been approved where dates have been applied