

Financial Risks 2017/18

Service	Financial Risk Ref. No.	Risk	Risk Reg no	High/Medium/Low	Risk Value £	%	Total Risk Assessment £	Include in General Fund £
Legal Services	FR1	Legal team resources - requirement due to recruitment/retention issues to use temp. staff or outsource work. Additional external expertise for assistance with the delivery of key Corporate projects or Governance issues	TR46	M	85,000	25%	21,250	21,250
	FR2	Legal expertise related to employment cases	RR374	L	50,000	0%	0	0
	FR3	Judicial Review (For example for absence of an on-line licensing register or against the Local Plan/Neighbourhood Plan). Includes cost of any award		L	300,000	0%	0	0
	FR4	Possible procurement challenge. Legal costs and costs of re-tendering if necessary.	RR530	H	100,000	50%	50,000	50,000
Housing & Public Protection	FR5	Lack of resilience in delivering key statutory services when staff absence occurs (other than normal leave) e.g. medium/long term sickness, staff resignations, etc.	RR298	H	20,000	50%	10,000	10,000
	FR6	Failure to meet projected Careline sales income as a result of the loss of a corporate client or fall in the number of private clients.	RR467.001	H	100,000	50%	50,000	50,000
	FRNEW	Legal challenge associated with the appointment of Careline's suppliers	RR539	L	50,000	0%	0	0
	FRNEW	The payment of compensation to Careline's corporate or retail customers arising from a service interruption.	RR466	M	10,000	25%	2,500	2,500
	FR8	Termination of North Hertfordshire Housing Partnership and end of shared policy/software arrangements with North Herts Homes.		L	20,000	0%	0	0
	FR9	Ongoing usage of bed and breakfast accommodation for homeless households.		M	180,000	25%	45,000	45,000
	FR10	Domestic Homicide Review – requirement for additional resources to respond	RR475	L	10,000	0%	0	0
	FR11	External challenge to review of licensing fee structure.		H	40,000	50%	20,000	20,000
Development, Building Control & Strategic Planning	FR12	Environmental investigation of contaminated land	RR290	L	25,000	0%	0	0
	FR13	Costs associated with receipt of a 'hostile' planning application		L	50,000	0%	0	0
	FR14	Development & implementation of Town Centre Strategies (additional consultancy support to implement Town Centre Strategies e.g. Hitchin)	RR462	L	50,000	0%	0	0
	FR15	Vehicle Parking Town-wide Reviews: displacement issues following implementation of approved schemes may require further TRO's	RR363	L	30,000	0%	0	0
	FR16	Dangerous structures - additional costs to the Authority from either increase in numbers of dangerous structure cases or particularly severe cases. The risk covers staff time and the cost to make the structure safe. Costs may not be recoverable within the same financial year or not all, e.g. due to the owner declaring bankruptcy.	RR364	M	50,000	25%	12,500	12,500
	FR17	Specialist advice with regard potential planning applications (e.g. town centre schemes)	TR31	M	50,000	25%	12,500	12,500
	FR18	Costs associated with challenges to other local authorities Local Plans and associated policies/strategies/proposals due to their impact upon the District	TR23	L	100,000	0	0	0
	FR19	Planning and building control applications – costs associated with an appeal, public inquiry, Secretary of State call in or judicial review against the Council's decision.	RR398	M	100,000	25%	25,000	25,000
	FR20	Enforcement – in relation to the enforcement of planning enforcement notices through legal /direct action or appeal processes. (see RR398)	RR398	M	100,000	25%	25,000	25,000
	FR21	Changes to government policy relating to planning eg: impact of Housing & Planning Act, Neighbourhood Planning Bill etc...		L	25,000	0%	0	0
Cultural Services	FRNEW	Neighbourhood Planning: costs of consultants, consultation, examination and referendum incurred in the production of Neighbourhood Development Plans.		H	60,000	50%	30,000	30,000
	FRNEW	Local Plan: Examination in public; additional venue, legal and inspection costs resulting from an extended examination time period and / or the inspector requesting additional work.		H	160,000	50%	80,000	80,000
	FR23	Further delay to the opening of the North Herts Museum and Cafe due to unanticipated incidents hinders the achievement of the operating surplus anticipated from the Community facility.		M	100,000	25%	25,000	25,000
	FR24	Net cost of operating the Hitchin Town Hall Cafe is greater than previously indicated to cabinet in July 2015 due to greater than estimated running costs or lower than anticipated demand.		M	70,000	25%	17,500	17,500
	FR25	Lack of staffing resilience to cater for planned events at the Hitchin Town Hall Community Facility.		M	40,000	25%	10,000	10,000
	FR27	Additional storage costs for museum exhibits and materials are incurred as a result of the level of moisture present in the basement of the new museum.		M	10,000	25%	2,500	2,500

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Leisure & Environment	FR28	The council is forced to re-tender a major contract if a contractor is unable to deliver a contract for any reason .	RR203	L	300,000	0%	0	0
	FR31	Falling income from the sale of recycling materials / increased costs for processing recycling materials		M	50,000	25%	12,500	12,500
	FR32	Reduction in funding from third party agency agreements for contracted grounds and/or tree maintenance works.	RR320	L	100,000	0%	0	0
	FRNEW	Costs resulting from a localised flooding event that is associated with water courses within the responsibility of NHDC to maintain.		L	100,000	0%	0	0
	FRNEW	Failure to achieve the current timetable for the completion of the redevelopment of North Herts Leisure Centre delays the realisation of additional management fee income from the leisure contractor		M	165,000	25%	41,250	41,250
	FRNEW	Theft of or damage to parking pay & display equipment		M	10,000	25%	2,500	2,500
Finance, Performance and Asset Management	FR34	Achievement of vacancy control target of £200K in light of reduced staff levels and turnover, and the risk of cross-over with the saving from the Corporate restructure	TR08	M	200,000	25%	50,000	50,000
	FR35	Adverse possession of land/buildings. (litigation costs)Protection of "Village Greens". Signs/fences need to be constructed to avoid residents claiming ownership rights.	RR49	M	35,000	25%	8,750	8,750
	FR36	Contamination and general clear-up costs for disposal/vacant sites	RR405	L	100,000	0%	0	0
	FR37	Breach of partial-exemption calculation for VAT	TR39	L	300,000	0%	0	0
	FR38	Travellers eviction and clear-up costs		M	20,000	25%	5,000	5,000
	FR39	Additional repairs and maintenance required for Council properties	RR139	L	50,000	0%	0	0
	FR40	An emergency in the District leading to a shortfall in Belwin Funding and any costs from calling in support from our external contractors	RR242	L	40,000	0%	0	0
	FR41	The Assets of Community Value (part of the Localism Act) has now been introduced. The Council is liable for the first £20k of compensation costs to owners in each calendar year	TR46.008	L	20,000	0%	0	0
	FR42	Localisation of Business Rates – The council is now directly exposed to a range of risks, including: impact of levy, assumed rates of growth, safety net. Additionally, the govt is consulting with regard to making changes to the overall BR system, for which there are no initial indications for direct impacts on NHDC	TR46.004	M	200,000	25%	50,000	50,000
	FR43	Member/Officer Indemnity Agreement is called upon		L	100,000	0%	0	0
	FR44	Further levy is charged through the MMI Scheme of Arrangement		M	20,000	25%	5,000	5,000
	FR45	Treasury Management - potential default by a counter party		L	1,000,000	0%	0	0
	FR46	Legal/Estates costs falling to the council if a land sale falls through		L	5,000	0%	0	0
FRNEW	Difficulty in recruiting lower paid staff (grades 1-3) results in higher expenditure on agency staff		M	15,000	25%	3,750	3,750	
Revenues, Benefits and IT	FR51	Fines for breaches of Data Protection Act	RR304	L	500,000	0%	0	0
	FR52	Failure to hit target on collecting summon's costs	TR08	M	15,000	25%	3,750	3,750
	FR53	Bad Debt Provision may need to increase in light of changes to the Business Rates scheme, Council Tax Reduction Scheme and the general economic downturn.	TR08	M	70,000	25%	17,500	17,500
	FRNEW	Ransomware attack results in the write-off of IT hardware and infrastructure.	RR522	L	200,000	0%	0	0
Democratic Services	FR55	District by-election		L	4,000	0%	0	0
Human Resources	FR56	Potential for additional payroll function costs		H	10,000	50%	5,000	5,000
	FR57	Employment related risks related to outsourcing, shared services and restructuring	RR248	M	175,000	25%	37,500	37,500
	FRNEW	Additional salary costs following review of senior management pay undertaken at the time of the senior management restructure.		M	72,000	25%	16,250	16,250
	FRNEW	Unanticipated additional costs or delay in implementation of the corporate restructure.		M	150,000	25%	37,500	37,500
					6,131,000		795,000	795,000