

## Financial risks 2015/16

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	H	85,000	50%	42,500	42,500
	FR2	Legal expertise related to employment cases	RR374	H	50,000	50%	25,000	25,000
	FR3	Judicial Review		L	15,000	0%	0	0
	FR4	Possible procurement challenge	TR49	L	50,000	0%	0	0
Housing & Public Protection	FR5	Recruitment difficulties associated with professional staff and the possible use of consultants to deliver key statutory services	RR298	L	10,000	0%	0	0
	FR6	Additional resources required to ensure large summer community events are safe.	RR343	L	5,000	0%	0	0
	FR7	The impact of the DCLG ending their support for local authority Homelessness Grant and the resultant loss of two funded posts and other homelessness prevention initiatives.	RR191	H	85,000	50%	42,500	42,500
	FR8	Loss of income to Careline as a result of major clients giving notice.	RR476.001	L	75,000	0%	0	0
	FR9	Loss of income to Careline as a result of new funding arrangements from third parties.	RR476.002	L	170,000	0%	0	0
	FR10	Failure to meet projected sales income as regards the Careline Marketing Strategy 2013/14 - 2015/16	RR476.003	M	20,000	25%	5,000	5,000
	FR11	The loss of external funding from the Police and Crime Commissioner to deliver Community Safety Partnership activities		M	25,000	25%	6,250	6,250
	FR12	The loss of external funding from the Police and Crime Commissioner to fund Community Safety Partnership admin support provided by the MSU		M	2,500	25%	625	625
	FR13	Domestic Homicide Review – requirement for additional resources to respond	RR475	L	10,000	0%	0	0
	FR14	Judicial review about the absence of an on-line register for licensing. Costs of defence and any award.		L	100,000	0%	0	0
	FR15	Licensing fee - request for return of previous fees prior to introduction of cost recovery basis		H	40,000	50%	20,000	20,000
FR16	Licensing fee income -not receiving the fees associated with large scale events -not receiving the fees associated with existing licences i.e. non payment of fees -not receiving the fees associated with licence applications due to a drop in demand	RR471	L	10,000	0%	0	0	
FR17	Environmental investigation of contaminated land	RR290	L	25,000	0%	0	0	
Strategic Planning & Enterprise	FR18	Local Plan: additional costs due to outcomes of Preferred Options consultation or other external factors		M	120,000	25%	30,000	30,000
	FR19	Local Plan: costs associated with a judicial review against a decision of the Council/Cabinet		L	50,000	0%	0	0
	FR20	Costs associated with receipt of a 'hostile' planning application		M	25,000	25%	6,250	6,250
	FR21	Development & implementation of Town Centre Strategies (additional consultancy support to implement Town Centre Strategies e.g. Hitchin)	RR462	L	50,000	0%	0	0
	FR22	Vehicle Parking Town-wide Reviews: displacement issues following implementation of approved schemes may require further TRO's	RR363	M	30,000	25%	7,500	7,500
Development & Building Control	FR23	Building Control – income affected by downturn in construction industry, offset by maintaining market share, not recruiting to vacant posts. Charges can be increased to recover costs (subject to new legislation), however, this could adversely affect competitiveness of the service.	RR082	M	25,000	25%	6,250	6,250
	FR24	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	30,000	25%	7,500	7,500
	FR25	Specialist advice with regard potential planning applications (e.g. town centre schemes)	TR31	M	50,000	25%	12,500	12,500
	FR26	Strategic level planning applications where the application is within North Herts. Costs associated with challenges to other local authorities Local Plans and associated policies/strategies/proposals due to their impact upon the District	TR23	M	50,000	0	12,500	12,500
	FR27	Planning and building control applications – costs associated with an appeal or judicial review against the Council's decision	RR398	M	100,000	25%	25,000	25,000
	FR28	Enforcement – in relation to the enforcement of planning enforcement notices through legal /direct action or appeal processes. (see RR398)	RR398	M	30,000	25%	7,500	7,500
	FR29	Changes to government policy relating to planning. (Quite likely due to general election)		M	100,000	25%	25,000	25,000
	FR30	Costs associated with introduction of Sustainable Drainage Systems due to changes in government legislation		L	50,000	0%	0	0
FR31	The Council pulls out from the District Museum & Community Facility project before completion and is deemed to be in material breach of the Development Agreement.	TR39	M	740,000	25%	185,000	185,000	

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Cultural Services (also impacts on Policy & Community Services)	FR32	Due to unanticipated incidents during the construction phase (some examples might be a contractual dispute, partnership working issues, adherence to Listed Building Consent but there may be other issues) this could lead to a delayed opening date and additional costs for NHDC from the project	TR39	H	36,000	50%	18,000	18,000
	FR33	HTH Ltd do not repay the agreed loan for legal fees	TR39	H	20,000	50%	10,000	10,000
	FR34	Procurement Challenge leading to a delay in completion and legal costs.	TR39	L	50,000	0%	0	0
Leisure & Environmental	FR35	Failing to achieve budgeted income from parking services due to; review of tariff structure; failure of contractor to transfer collected income; theft of money from car park machines	RR308	M	100,000	25%	25,000	25,000
	FR36	The council is forced to re-tender a major contract if a contractor is unable to deliver a contract for any reason or there is a procurement challenge.	RR203	L	300,000	0%	0	0
	FR37	Failure to achieve budget for waste paper recyclables due to wet weather		M	10,000	25%	2,500	2,500
	FR38	Reduction in funding from third party agency agreements for contracted grounds and/or tree maintenance works.	RR320	L	100,000	0%	0	0
	FR39	Cost of felling and destroying trees as a result of ash tree die back		M	75,000	25%	18,750	18,750
Finance, Performance and Asset Management	FR40	Achievement of vacancy control target of £300k in light of reduced staff levels and turnover	TR08	H	150,000	50%	75,000	75,000
	FR41	Adverse possession of land/buildings. (litigation costs)	RR49	M	35,000	25%	8,750	8,750
	FR42	Contamination and general clear-up costs for disposal/vacant sites	RR405	M	100,000	25%	25,000	25,000
	FR43	Breach of partial-exemption calculation for VAT	TR39	L	300,000	0%	0	0
	FR44	Travellers eviction and clear-up costs		M	20,000	25%	5,000	5,000
	FR45	Additional repairs and maintenance required for Council properties	RR139	L	100,000	0%	0	0
	FR46	Loss of a commercial rent	TR08	M	60,000	25%	15,000	15,000
	FR47	An emergency in the District leading to a shortfall in Belwyn Funding and any costs from calling in support from our external contractors	RR242	L	40,000	0%	0	0
	FR48	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
	FR49	Localisation of Business Rates – initial indications are that the scheme is functioning adequately. However, the council is now directly exposed to a range of risks, including: impact of levy, assumed rates of growth, safety net	TR46.004	M	200,000	25%	50,000	50,000
	FR50	Member/Officer Indemnity Agreement is called upon		L	100,000	0%	0	0
	FR51	Further levy is charged through the MMI Scheme of Arrangement		M	20,000	25%	5,000	5,000
	FR52	Treasury Management - potential default by a counter party		L	500,000	0%	0	0
	FR53	Legal/Estates costs falling to the council if a land sale falls through		L	10,000	0%	0	0
FR54	Increase in insurance costs that exceed budget		M	10,000	25%	2,500	2,500	
Revenues, Benefits and IT	FR55	Fines for breaches of Data Protection Act	RR304	L	500,000	0%	0	
	FR56	Failure to hit target on collecting summons costs	TR08	M	15,000	25%	3,750	3,750
	FR57	Potential for increased subsidy penalties	TR08	L	25,000	0%	0	0
	FR58	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
	FR59	Potential changes to Summons Court Costs. The proposed change is to nationally unify the level of the costs that Council's in England can charge. (£70.00 is being muted) NHDC charge £80.00 for Council Tax and £100.00 for NNDR.		M	54,000	25%	13,500	13,500
	FR60	Refund of personal search fees	RR26	M	42,000	25%	10,500	10,500
Democratic Services	FR61	Referenda under the Localism Act (e.g. Neighbourhood Plans)		M	3,000	25%	750	750
	FR62	District by-election		L	4,000	0%	0	0
Human Resources	FR63	Additional Payroll Costs eliminate budget saving		H	22,000	50%	11,000	11,000
	FR64	Employment related risks related to outsourcing, shared services and restructuring	RR248	M	354,000	25%	88,500	88,500
					<b>5,672,500</b>		<b>872,875</b>	<b>872,875</b>