

## Financial risks 2016/17

Service	Financial Risk Ref. No.	Risk	Risk Reg no	High/Medium/Low	Risk Value £	%	Total Risk Assessment £
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
	FR2	Legal expertise related to employment cases	RR374	M	50,000	25%	12,500
	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
	FR4	Possible procurement challenge. Legal costs and costs of re-tendering if necessary.	RR530	H	50,000	50%	25,000
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	M	20,000	25%	5,000
	FR6	Failure to meet projected sales income as regards the Careline Marketing Strategy 2013/14 - 2015/16	RR476.003	L	35,000	0%	0
	FR7	The loss of external funding from the Police and Crime Commissioner to deliver Community Safety Partnership activities		L	25,000	0%	0
	FR8	Termination of North Hertfordshire Housing Partnership and end of shared policy/software arrangements with North Herts Homes and Howard Cottage Housing Association		M	20,000	25%	5,000
	FR9	Ongoing usage of bed and breakfast accommodation for homeless households.		H	135,000	50%	67,500
	FR10	Domestic Homicide Review – requirement for additional resources to respond	RR475	M	10,000	25%	2,500
	FR11	Licensing fee - request for return of previous fees prior to introduction of cost recovery basis		H	40,000	50%	20,000
	FR12	Environmental investigation of contaminated land	RR290	L	25,000	0%	0
Development, Building Control & Strategic Planning	FR13	Costs associated with receipt of a 'hostile' planning application		L	50,000	0%	0
	FR14	Development & implementation of Town Centre Strategies (additional consultancy support to implement Town Centre Strategies e.g. Hitchin)	RR462	L	100,000	0%	0
	FR15	Vehicle Parking Town-wide Reviews: displacement issues following implementation of approved schemes may require further TRO's	RR363	M	30,000	25%	7,500
	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
	FR17	Specialist advice with regard potential planning applications (e.g. town centre schemes)	TR31	M	50,000	25%	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
	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
	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
	FR21	Changes to government policy relating to planning eg: impact of Housing & Planning Bill		M	100,000	25%	25,000
	FR22	Building Control: costs associated with 'live' applications being transferred to new company the remaining proportion of the fee received by the Council will also need to be transferred to the company to complete the works	RR540	H	120,000	50%	60,000
Cultural Services	FR23	Further delay to the opening of the North Herts Museum and Community Facility due to unanticipated incidents prevent either or both of; the achievement of planned premises cost savings from the closures of Hitchin and Letchworth Museums; operating income targets from being achieved.	TR39	L	145,000	0%	0
	FR24	Net cost of operating the new North Hertfordshire Museum is greater than anticipated in the budget due to greater than estimated running costs or lower than anticipated income from planned activities.	TR39	M	90,000	25%	22,500
	FR25	The failure of project partners to meet contractual obligations mean additional costs are incurred by NHDC in achieving a resolution.	TR39	H	50,000	50%	25,000
	FR26	HTH Ltd do not repay the agreed loan for legal fees	TR39	H	20,000	50%	10,000
	FR27	Net cost of operating the Hitchin Town Hall and Cafe facility is greater than previously indicated to cabinet in July 2015 due to greater than estimated running costs or lower than anticipated income.	TR39	M	125,000	25%	31,250
	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
Leisure & Environment	FR29	Failure to achieve budget for waste paper recyclables due to decreases in collected tonnages.		M	10,000	25%	2,500
	FR30	Failure to achieve revised budget for Trade Waste recycling		L	40,000	0%	0
	FR31	Falling income from sale of recycling materials / increased costs for processing recycling materials		M	45,000	25%	11,250
	FR32	Reduction in funding from third party agency agreements for contracted grounds and/or tree maintenance works.	RR320	L	100,000	0%	0
	FR33	Cost of felling and destroying trees as a result of tree disease		M	75,000	25%	18,750
	FR34	Achievement of vacancy control target of £200K in light of reduced staff levels and turnover	TR08	M	100,000	25%	25,000

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Finance, Performance and Asset Management	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
	FR36	Contamination and general clear-up costs for disposal/vacant sites	RR405	M	100,000	25%	25,000
	FR37	Breach of partial-exemption calculation for VAT	TR39	L	300,000	0%	0
	FR38	Travellers eviction and clear-up costs		M	20,000	25%	5,000
	FR39	Additional repairs and maintenance required for Council properties	RR139	L	100,000	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
	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
	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
	FR43	Member/Officer Indemnity Agreement is called upon		L	100,000	0%	0
	FR44	Further levy is charged through the MMI Scheme of Arrangement		H	20,000	50%	10,000
	FR45	Treasury Management - potential default by a counter party		L	500,000	0%	0
	FR46	Legal/Estates costs falling to the council if a land sale falls through		L	10,000	0%	0
	FR47	Additional revenue funding may be necessary for CCTV due to equipment breakdown and/or costs in addition to usual maintenance regime		H	30,000	50%	15,000
	FR48	Loss of income or failure to achieve budgeted income from a variety of sources (e.g: new initiatives, Careline, Building Control, Car Parks, Commercial rents, licensing)		L	700,000	0%	0
	FR49	There may be a requirement to contribute additional funding to the SAFS partnership		L	20,000	0%	0
FR50	Office Accommodation may exceed budget or scheme is delayed	Top Risk	H	250,000	50%	125,000	
Revenues, Benefits and IT	FR51	Fines for breaches of Data Protection Act	RR304	L	500,000	0%	0
	FR52	Failure to hit target on collecting summon's costs	TR08	M	15,000	25%	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
	FR54	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
	FR55	District by-election		L	4,000	0%	0
Human Resources	FR56	Potential for additional payroll costs		H	22,000	50%	11,000
	FR57	Employment related risks related to outsourcing, shared services and restructuring	RR248	M	350,000	25%	87,500
					<b>6,155,000</b>		<b>865,750</b>

Include in General Fund £
42,500
12,500
0
25,000
5,000
0
0
5,000
67,500
2,500
20,000
0
0
0
7,500
12,500
12,500
0
25,000
25,000
25,000
60,000
0
22,500
25,000
10,000
31,250
0
2,500
0
11,250
0
18,750
25,000

Include in General Fund £
8,750
25,000
0
5,000
0
0
0
50,000
0
10,000
0
0
15,000
0
0
125,000
0
3,750
17,500
13,500
0
11,000
87,500
<b>865,750</b>