

Appendix 7 Financial Risks for 2014/15

Financial risks 2014/15

Service	Financial Risk Ref. No.	Risk	Risk Reg no	High/Medium/Low	Risk Value £	%	Total Risk Assessment £
Housing & Public Protection	FR1	Additional resources required to ensure large summer community events are safe.	RR343	H	5,000	50%	2,500
	FR2	Loss of income to Careline as a result of new funding arrangements from third parties.	RR476.002	H	170,000	50%	85,000
	FR3	Impact of a deteriorating housing market on homelessness prevention services and the need for temporary accommodation. The impact of loosing grant funded posts.	RR191	M	40,000	25%	10,000
	FR4	Loss of income to Careline as a result of major clients giving notice.	RR476.001	M	75,000	25%	18,750
	FR5	Failure to meet projected sales income as regards the Careline Marketing Strategy 2013/14 - 2015/16	RR476.003	M	20,000	25%	5,000
	FR6	The loss of external funding from the Police and Crime Commissioner to deliver Community Safety Partnership activities		M	25,000	25%	6,250
	FR7	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
	FR8	Domestic Homicide Review – requirement for additional resources to respond	RR475	L	10,000	0%	0
	FR9	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
	FR10	Recruitment difficulties associated with professional staff and the possible use of consultants to deliver key statutory services	RR298	L	10,000	0%	0
	FR11	Environmental investigation of contaminated land	RR290	L	25,000	0%	0
Strategic Planning & Enterprise	FR12	Local Plan: additional costs due to a revised timescale set by the Inspector for the Examination in public		M	120,000	25%	30,000
	FR13	Local Plan: costs associated with a judicial review against a decision of the Council/Cabinet		M	50,000	25%	12,500
	FR14	Neighbourhood Planning: to fund officer time (outside of core hours) and resources associated with the formation of neighbourhood plans		M	10,000	25%	2,500
	FR15	Costs associated with any Master Planning work e.g. following the granting of a 'hostile' planning application		M	25,000	25%	6,250
	FR16	Sustainable development of the District Possible expansion of the District through urban expansions or new independent developments requiring specialist advise to ensure the priorities and decisions of the Council are met, including the possible need for or to defend a legal challenge	TR23	M	50,000	25%	12,500
	FR17	Development & implementation of Town Centre Strategies (additional consultancy support to implement Town Centre Strategies e.g. Hitchin)	RR462	M	25,000	25%	6,250
	FR18	Vehicle Parking Town-wide Reviews: displacement issues following implementation of approved schemes may require further TRO's	RR363	M	30,000	25%	7,500
Development & Building Control	FR19	Strategic level planning applications where the application is within North Herts e.g. East Luton, North or West Stevenage, South Hitchin etc. or where NHDC is a consultee e.g. London Luton Airport– costs associated with an specialist advice (technical or legal) in association with an application, appeal or inquiry of the planning application Costs associated with challenges to other local authorities Local Plans and associated policies/strategies/proposals due to their impact upon the District	TR23	H	100,000	50%	50,000
	FR20	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
	FR21	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
	FR22	Specialist advice with regard potential planning applications (e.g. town centre schemes)	TR31	M	25,000	25%	6,250
	FR23	Planning and building control applications – costs associated with an appeal or judicial review against the Council's decision	RR398	M	50,000	25%	12,500
	FR24	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
Total for Planning, Housing and Enterprise Directorate					962,500		295,625
Human Resources	FR25	Additional Payroll Costs eliminate budget saving		H	22,000	50%	11,000
	FR26	Employment related risks related to outsourcing, shared services and restructuring	RR248	M	354,000	25%	88,500
Cultural Services (also	FR27	The facility is not ready for opening on the agreed date in the Development Agreement	TR39	H	36,000	50%	18,000
	FR28	HTH Ltd do not repay the agreed loan for legal fees	TR39	H	20,000	50%	10,000

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impacts on Policy & Community Services)	FR29	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
	FR30	The HLF stage 2 application is not successful	TR39	M	831,000	25%	207,750
	FR31	Procurement Challenge leading to a delay in completion and legal costs.	TR39	L	50,000	0%	0
Leisure & Environmental	FR32	Failing to achieve budgeted income from parking services due to; review of tariff structure not producing as much income as would be generated from a flat inflationary increase across all tariffs; failure of contractor to transfer collected income; theft of money from car park machines	RR308	M	100,000	25%	25,000
	FR33	Contamination of organic waste stream and co-mingled waste – cost of removal – financial and reputation risk	TR40	M	100,000	25%	25,000
	FR34	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 that affects service delivery costs. This risk is considered higher in the current economic climate.	RR203	L	300,000	0%	0
	FR35	Reduction in funding from third party agency agreements for contracted grounds and/or tree maintenance works.	RR320	L	100,000	0%	0
Total for Customer Services Directorate					2,653,000		570,250
Legal Services	FR36	Additional external expertise for assistance with the delivery of key Corporate projects or Governance issues	TR46	H	85,000	50%	42,500
	FR37	Legal expertise related to employment cases	RR374	H	50,000	50%	25,000
	FR38	Possible procurement challenge - more likely due to current economic climate.	TR49	H	50,000	50%	25,000
	FR39	Judicial Review		M	15,000	25%	3,750
Finance, Performance and Asset Management	FR40	Loss of a commercial rent due to recession	TR08	H	30,000	50%	15,000
	FR41	Localisation of Business Rates – initial indications are that the scheme is functioning adequately. However, it is still early days and the council is now directly exposed to a range of risks, including: impact of levy, assumed rates of growth, safety net	TR46.004	H	170,000	50%	85,000
	FR42	Further levy is charged through the MMI Scheme of Arrangement		H	20,000	50%	10,000
	FR43	Achievement of vacancy control target of £300K in light of reduced staff levels and turnover	TR08	M	100,000	25%	25,000
	FR44	Adverse possession of land/buildings. (litigation costs)	RR49	M	35,000	25%	8,750
	FR45	Contamination clear-up costs for disposal sites	RR405	M	100,000	25%	25,000
	FR46	Travellers eviction and clear-up costs		M	20,000	25%	5,000
	FR47	Additional repairs and maintenance required for Council properties	RR139	M	100,000	25%	25,000
	FR48	Shortfall in Belwyn Scheme claim in the event of an emergency in the District	RR242	L	40,000	0%	0
	FR49	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
	FR50	Breach of partial-exemption calculation for VAT	TR39	L	300,000	0%	0
	FR51	Member/Officer Indemnity Agreement is called upon		L	100,000	0%	0
	FR52	Treasury Management - potential default by a counter party		L	500,000	0%	0
	Revenues, Benefits and IT	FR53	Failure to hit target on collecting summons costs	TR08	M	15,000	25%
FR54		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
FR55		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
FR56		Refund of personal search fees	RR26	M	80,000	25%	20,000
FR57		Potential for increased subsidy penalties	TR08	L	25,000	0%	0
FR58		Fines for breaches of Data Protection Act	RR304	L	500,000	0%	0
FR59		Increase in caselodas qualifying for Council Tax Reduction		L	50,000	0%	0
Total for Finance, Policy and Governance Directorate					2,529,000		349,750
Democratic Services	FR60	Referenda under the Localism Act (e.g. Neighbourhood Plans)		M	3,000	25%	750
	FR61	District by-election		L	4,000	0%	0
					6,151,500		1,216,375