

## Financial risks 2016/17

| 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       | M                 | 50,000       | 25% | 12,500                  | 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                       | 0                         |
|  | FR4                     | Possible procurement challenge. Legal costs and costs of re-tendering if necessary.   | RR530       | H                 | 50,000       | 50% | 25,000                  | 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                   | 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                       | 0                         |
|  | FR7                     | The loss of external funding from the Police and Crime Commissioner to deliver Community Safety Partnership activities  |             | L                 | 25,000       | 0%  | 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                   | 5,000                     |
|  | FR9                     | Ongoing usage of bed and breakfast accommodation for homeless households.   |             | H                 | 135,000      | 50% | 67,500                  | 67,500                    |
|  | FR10                    | Domestic Homicide Review – requirement for additional resources to respond  | RR475       | M                 | 10,000       | 25% | 2,500                   | 2,500                     |
|  | FR11                    | Licensing fee - request for return of previous fees prior to introduction of cost recovery basis  |             | H                 | 40,000       | 50% | 20,000                  | 20,000                    |
|  | FR12                    | Environmental investigation of contaminated land  | RR290       | L                 | 25,000       | 0%  | 0                       | 0                         |
| Development, Building Control & Strategic Planning | 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                 | 100,000      | 0%  | 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                   | 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                  | 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 Bill   |             | M                 | 100,000      | 25% | 25,000                  | 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                  | 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                       | 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                  | 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                  | 25,000                    |
|  | FR26                    | HTH Ltd do not repay the agreed loan for legal fees   | TR39        | H                 | 20,000       | 50% | 10,000                  | 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                  | 31,250                    |
| 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                         |
|  | FR29                    | Failure to achieve budget for waste paper recyclables due to decreases in collected tonnages.   |             | M                 | 10,000       | 25% | 2,500                   | 2,500                     |
|  | FR30                    | Failure to achieve revised budget for Trade Waste recycling   |             | L                 | 40,000       | 0%  | 0                       | 0                         |
|  | FR31                    | Falling income from sale of recycling materials / increased costs for processing recycling materials  |             | M                 | 45,000       | 25% | 11,250                  | 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                       | 0                         |
|  | FR33                    | Cost of felling and destroying trees as a result of tree disease  |             | M                 | 75,000       | 25% | 18,750                  | 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                  | 25,000                    |
|  | 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       | M                 | 100,000      | 25% | 25,000                  | 25,000                    |

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| Finance, Performance and Asset Management | 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               | 100,000          | 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  |   | H               | 20,000           | 50%     | 10,000                  | 10,000                    |
|   | FR45                      | Treasury Management - potential default by a counter party   |   | L               | 500,000          | 0%      | 0                       | 0                         |
|   | FR46                      | Legal/Estates costs falling to the council if a land sale falls through  |   | L               | 10,000           | 0%      | 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                  | 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                       | 0                         |
|   | FR49                      | There may be a requirement to contribute additional funding to the SAFS partnership  |   | L               | 20,000           | 0%      | 0                       | 0                         |
|   | FR50                      | Office Accommodation may exceed budget or scheme is delayed  | Top Risk                                  | H               | 250,000          | 50%     | 125,000                 | 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                   | 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                    |
| 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)<br>NHDC charge £80.00 for Council Tax and £100.00 for NNDR.  |   | M               | 54,000           | 25%     | 13,500                  | 13,500                    |
| FR55                                      |                           | District by-election   |   | L               | 4,000            | 0%      | 0                       | 0                         |
| Human Resources                           | FR56                      | Potential for additional payroll costs   |   | H               | 22,000           | 50%     | 11,000                  | 11,000                    |
|   | FR57                      | Employment related risks related to outsourcing, shared services and restructuring   | RR248                                     | M               | 350,000          | 25%     | 87,500                  | 87,500                    |
|   |                           |  |   |                 | <b>6,155,000</b> |         | <b>865,750</b>          | <b>865,750</b>            |