

Financial Risks 2018/19

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	RR508	M	85,000	25%	21,250
	FR2	Legal expertise related to employment cases	RR508	M	50,000	25%	12,500
	FR3	The Council is required to meet the cost of any award from new or ongoing judicial reviews.		M	30,000	25%	7,500
	FR4	Possible procurement challenge. Legal costs and costs of re-tendering if necessary.	RR530	H	100,000	50%	50,000
	FR5	Costs incurred from an increased number of prosecutions pursued in court, for example due to persistent flytipping or benefit fraud		M	50,000	25%	12,500
Housing & Public Protection	FR6	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.	RR534	H	20,000	50%	10,000
	FR7	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	50,000	50%	25,000
	FR8	The payment of compensation to Careline's corporate or retail customers arising from a service interruption.	RR466	M	10,000	25%	2,500
	FR9	Termination of North Hertfordshire Housing Partnership and end of shared policy/software arrangements with North Herts Homes.	RR543	L	20,000	0%	0
	FR10	Usage of bed and breakfast accommodation for homeless households.	TR60	M	180,000	25%	45,000
	FR11	Domestic Homicide Review – additional resources in relation to Domestic Homicide Reviews and other partnership requirements	RR475	L	15,000	0%	0
	FR12	External challenge to review of licensing fee structure.	RR525	M	40,000	25%	10,000
Development, Building Control & Strategic Planning	FR13	Costs associated with receipt of a 'hostile' planning application	TR54	L	50,000	0%	0
	FR14	Development & implementation of Town Centre Strategies (additional consultancy support to implement Town Centre Strategies e.g. Hitchin)	RR517	L	50,000	0%	0
	FR15	Vehicle Parking Town-wide Reviews: displacement issues following implementation of approved schemes may require further TRO's	RR468	L	30,000	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
	FR17	Specialist advice with regard to potential planning applications (e.g. town centre schemes)	RR517	M	50,000	25%	12,500
	FR18	Costs associated with challenges / work, to and in connection with, other authorities / organisations / bodies etc. plans, policies/strategies/proposals etc., due to their impact upon the District	TR52.002	H	250,000	50%	125,000
	FR19	Planning and building control applications – costs associated with an appeal, public inquiry, Secretary of State call in, judicial review or other challenge against the Council's decision.	RR398	H	500,000	50%	250,000
	FR20	Enforcement – costs in relation to the enforcement of planning enforcement notices through legal /direct action or appeal processes.	RR398	M	100,000	25%	25,000
	FR21	Changes to government policy relating to planning e.g.: impact of Housing & Planning Act, Neighbourhood Planning Bill etc...	TR52.001	L	25,000	0%	0
	FR22	Neighbourhood Planning: costs of consultants, consultation, examination and referendum incurred in the production of Neighbourhood Development Plans.	TR52.001	H	60,000	50%	30,000
	FR23	Local Plan: additional costs associated with progressing the Local Plan.	TR54	H	500,000	50%	250,000
	Cultural Services	FR24	Local Plan: costs associated with a challenge to the Local Plan either from the Council or another stakeholder/authority	TR54	M	300,000	25%
FR25		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.	TR39	M	100,000	25%	25,000
FR26		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.	TR39	M	70,000	25%	17,500
FR27		The council is forced to re-tender a major contract if a contractor is unable to deliver a contract for any reason .	RR530	L	300,000	0%	0
FR30		Unforeseen issues arising relating to the mobilisation of the new Waste, Recycling and Street Cleansing contract require additional staffing resource to resolve.		M	100,000	25%	25,000
FR31		Increase in the net cost of recycling services due to either or all of ; adverse changes in the market prices for commodities; a reduction in the volume of recyclates collected; a change in the material composition of the recyclates collected	TR59.007	H	50,000	50%	25,000
FR32		Reduction in funding from third party agency agreements for contracted grounds and/or tree maintenance works.	RR320	L	50,000	0%	0
FR33		Costs resulting from a localised flooding event that is associated with water courses within the responsibility of NHDC to maintain.	RR479	L	100,000	0%	0
FR34		Cost of felling and destroying trees as a result of tree disease	RR099.002	M	75,000	25%	18,750
FR35		Theft of or damage to parking pay & display equipment	RR308	M	20,000	25%	5,000

**Known Financial Risks for 2018/19**

Service	Financial Risk Ref. No.	Risk	Risk Reg no	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Finance, Performance and Asset Management	FR36	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
	FR37	Adverse possession of land/buildings. (litigation costs)Protection of "Village Greens". Signs/fences need to be constructed to avoid residents claiming ownership rights.	RR049	M	35,000	25%	8,750
	FR38	Contamination clear-up costs for disposal/vacant sites	RR481	L	100,000	0%	0
	FR39	Breach of partial-exemption calculation for VAT	RR527	L	300,000	0%	0
	FR40	Travellers eviction and clear-up costs	RR383	M	20,000	25%	5,000
	FR41	Exceptional repairs and maintenance required for Council properties	RR500	L	50,000	0%	0
	FR42	An emergency in the District leading to a shortfall in Belwin Funding and any costs from calling in support from our external contractors	RR553	L	40,000	0%	0
	FR43	The Council is obliged to make compensation payments to affected parties under the Assets of Community Value legislation.	RR512	L	20,000	0%	0
	FR44	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.	TR08	M	200,000	25%	50,000
	FR45	Member/Officer Indemnity Agreement is called upon		L	100,000	0%	0
	FR46	Further levy is charged through the MMI Scheme of Arrangement	RR271	M	20,000	25%	5,000
	FR47	Treasury Management - potential default by a counter party	RR448	L	1,000,000	0%	0
	FR48	Difficulty in recruiting Facilities Assistants results in higher expenditure on agency staff		M	15,000	25%	3,750
	FR49	Indemnity provided by the Council is called upon by lenders following default(s) on mortgage(s) secured through the local authority mortgage scheme.		L	1,000,000	0%	
	FR50	Cost of energy efficiency improvements required to lower energy rated properties in order to comply with the minimum energy efficiency standards introduced by government legislation. The regulations will come into force for new lets and renewals of tenancies with effect from 1st April 2018 and for all existing tenancies on 1st April 2020.		M	50,000	25%	12,500
Revenues, Benefits and IT	FR51	Fines for breaches of the EU General Data Protection Regulation by the Council or by NHDC outsourced providers when handling and storing data originally collected by NHDC	RR304	L	500,000	0%	0
	FR52	Failure to hit target on collecting summons's costs	TR08	M	15,000	25%	3,750
	FR53	Bad Debt Provision may need to increase in light of changes to housing benefits, the Business Rates scheme, Council Tax Reduction Scheme and the general economic downturn.	RR516	M	70,000	25%	17,500
	FR54	Ransomware attack results in the write-off of IT hardware and infrastructure.	TR62	L	200,000	0%	0
Democratic Services	FR55	District by-election		L	4,000	0%	0
Human Resources	FR56	Employment related risks related to outsourcing, shared services and restructuring	RR248	H	150,000	50%	75,000
	FR57	Additional salary costs following the pay and job evaluation of the new Service Director posts introduced as part of the senior management restructure.	TR07	H	100,000	50%	50,000
	FR58	Unanticipated additional costs or delay in implementation of phase 2 of the corporate restructure.	TR07	M	200,000	25%	50,000

**7,869,000**

**1,423,750**