

**Appendix A- Financial Risks 2023/24**

Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
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	L	500,000	0%	0
Bad Debt Provision may need to increase in light of the roll-out of Universal Credit and in particular the managed migration of working age housing benefit clients to Universal Credit.	L	70,000	0%	0
Ransomware attack results in the write-off of some IT hardware and infrastructure.	L	200,000	0%	0
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.	M	50,000	25%	12,500
Adverse possession of land/buildings (litigation costs). Protection of "Village Greens". Signs/fences need to be constructed to avoid residents claiming ownership rights.	L	35,000	0%	0
Reduction in income generated from Hitchin Town Hall due to the impact of the ongoing 'cost of living crisis' on the level of demand for events held at the venue.	M	40,000	25%	10,000
District by-election	M	8,000	25%	2,000
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	H	100,000	50%	50,000
Legal expertise related to employment cases	M	50,000	25%	12,500
The Council is required to meet the cost of any award from new or ongoing judicial reviews.	M	100,000	25%	25,000

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Possible procurement challenge. Legal costs and costs of re-tendering if necessary.	L	100,000	0%	0
Costs incurred from an increased number of prosecutions pursued in court, for example due to persistent flytipping.	M	50,000	25%	12,500
Domestic Homicide Review – requirement for additional resources to respond	H	15,000	50%	7,500
The council is forced to re-tender a major contract if a contractor is unable to deliver a contract for any reason .	L	300,000	0%	0
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	H	500,000	50%	250,000
Reduction in funding from third party agency agreements for contracted grounds and/or tree maintenance works.	L	50,000	0%	0
Costs resulting from a localised flooding event that is associated with water courses within the responsibility of NHDC to maintain.	L	50,000	0%	0
Cost of felling and destroying trees as a result of pests and tree disease.	L	75,000	0%	0
Cost of maintaining service provision in the event of major contract failure.	L	1,000,000	0%	0
Income from Trade Refuse is adversely affected by economic downturn.	M	300,000	25%	75,000
Lack of resilience in delivering key statutory services, such as Environmental Health, Planning including Enforcement, and Parking, when staff absence occurs (other than normal leave) e.g. medium/long term sickness, staff resignations, redeployment to other duties etc, increases expenditure on agency staff and / or consultancy advice or other method to maintain service provision.	H	100,000	50%	50,000

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Increase in net cost of measures to address homelessness/rough sleeping and meeting obligations/projects as a result of for example: absence of government funding / reduced government funding, national and local situations such as with the current pandemic and 'everyone in' approach from Central Government etc.	M	250,000	25%	62,500
Dangerous structures - where the Council is unable to recover either or both of; the costs incurred in making the structures safe because, for example, the owner of the property is not known or the land/building is unregistered; the costs involved in seeking to recover the expenditure incurred.	L	50,000	0%	0
Specialist advice required with regard to planning applications, e.g. town centre schemes and "hostile applications"	M	100,000	25%	25,000
Costs associated with a challenge to a forthcoming decision of the Council or one that has been made, for example: legal challenges, tribunals, contracts, grant schemes, an appeal against a planning decision, judicial review or threat in advance of a planning decision, Secretary of State call in or holding direction.	H	500,000	50%	250,000
Enforcement – costs in relation to enforcement for example: investigations to enable consideration of enforcement action, specialist legal or other advice, direct action / appeal processes, recovery of illegal earnings.	M	100,000	25%	25,000
New duties and obligations associated with government policy leads to requiring additional training or additional and/or specialist staff or consultancy support to deliver.	M	50,000	25%	12,500
Local Plan: additional costs associated with progressing the Local Plan or associated processes, such as a review.	M	50,000	25%	12,500
Local Plan: costs associated with a challenge to the Local Plan either from the Council or another stakeholder/authority	H	450,000	50%	225,000
Theft of, or damage to, parking pay & display equipment	M	20,000	25%	5,000
Disabled Adaptations: Hertfordshire Home Improvement Agency fail to recover sufficient fees, based upon application throughput, resulting in additional payment requested by HCC to cover costs. Increased level of fee exempt Building Control applications for which the Council must reimburse the fee to Hertfordshire Building Control.	H	15,000	50%	7,500
Unfunded Environmental Health costs associated with the Covid-19 pandemic and other infections diseases including staffing, protective or specialist equipment, target campaigns etc	M	50,000	25%	12,500

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Assumed vacancy saving within staffing payroll budgets does not materialise as a slim staffing structure, and / or an increase in the level of demand for services, reduces the capacity to hold posts vacant for any significant period of time.	L	350,000	0%	0
Breach of partial-exemption calculation for VAT	L	300,000	0%	0
Increases in construction inflation increase the cost of property repairs and maintenance required.	H	20,000	50%	10,000
Localisation of Business Rates – The council is directly exposed to a range of risks including; business rates levy, safety net.	L	225,000	0%	0
Member/Officer Indemnity Agreement is called upon	L	100,000	0%	0
Further payments are required under MMI scheme of arrangement	L	20,000	0%	0
Reduced staffing capacity means that the delivery of Council projects is delayed and / or additional staffing resource must be hired externally at a cost premium to the Council.	H	100,000	50%	50,000
Relates to an environmental warranty that was provided to North Herts Homes on the transfer of the Housing stock.	L	209,000	0%	0
Increase to the annual external audit fee negotiated between the Council's External Auditor and Public Sector Audit Appointments exceeds the amount of additional related grant funding received from government.	M	20,000	25%	5,000
Cost of annual Housing Benefit Subsidy Certification is higher than budgeted due to additional audit fieldwork required.	H	10,000	50%	5,000

**6,682,000**

**1,214,500**