

**Identified Financial Risks 2019/20**

Service Directorate	Financial Risk Ref. No.	Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
Commercialisation	FR1	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.	M	100,000	25%	25,000
	FR2	Adverse possession of land/buildings (litigation costs). Protection of "Village Greens". Signs/fences need to be constructed to avoid residents claiming ownership rights.	M	35,000	25%	8,750
	FR3	Contamination clear-up costs for disposal/vacant sites	L	250,000	0%	0
	FR4	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
Customers	FR5	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
	FR6	Bad Debt Provision may need to increase in light of the roll-out of Universal Credit.	M	70,000	25%	17,500
	FR7	Ransomware attack results in the write-off of IT hardware and infrastructure.	L	200,000	0%	0
	FR8	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.	H	50,000	50%	25,000
	FR9	The payment of compensation to Careline's corporate or retail customers arising from a service interruption.	L	10,000	0%	0
Legal	FR10	District by-election	L	4,000	0%	0
	FR11	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	M	100,000	25%	25,000
	FR12	Legal expertise related to employment cases	M	50,000	25%	12,500
	FR13	The Council is required to meet the cost of any award from new or ongoing judicial reviews.	H	100,000	50%	50,000

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Community	FR14	Possible procurement challenge. Legal costs and costs of re-tendering if necessary.	L	100,000	0%	0
	FR15	Costs incurred from an increased number of prosecutions pursued in court, for example due to persistent flytipping.	M	50,000	25%	12,500
	FR16	Domestic Homicide Review – requirement for additional resources to respond	L	15,000	0%	0
	FR17	Elections team staffing resource - requirement to deliver a parliamentary election and / or public referendum, in addition to scheduled elections, results in an increased use of temporary staff.	M	25,000	25%	6,250
Place	FR18	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
	FR19	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	100,000	50%	50,000
	FR20	Reduction in funding from third party agency agreements for contracted grounds and/or tree maintenance works.	L	50,000	0%	0
	FR21	Costs resulting from a localised flooding event that is associated with water courses within the responsibility of NHDC to maintain.	L	100,000	0%	0
	FR22	Cost of felling and destroying trees as a result of tree disease	L	75,000	0%	0
	FR23	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.	H	40,000	50%	20,000
	FR24	Usage of bed and breakfast accommodation for homeless households.	M	180,000	25%	45,000
	FR25	Dangerous structures - where the Council is unable to recover 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.	M	50,000	25%	12,500
	FR26	Specialist advice required with regard to planning applications, e.g. town centre schemes and "hostile applications".	M	100,000	25%	25,000
	FR27	Costs associated with a challenge to a decision of the Council, for example 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

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Regulatory	FR28	Enforcement – costs in relation to enforcement through direct action or appeal processes.	M	100,000	25%	25,000
	FR29	New duties and obligations associated with changes to government policy	L	25,000	0%	0
	FR30	Local Plan: additional costs associated with progressing the Local Plan.	H	250,000	50%	125,000
	FR31	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
	FR32	Theft of, or damage to, parking pay & display equipment	M	20,000	25%	5,000
	FR33	Income related to planning applications is lower than the budget expectation as a result of a delay to Local Plan progress or the economic impact of Brexit.	M	250,000	25%	62,500
	FR34	Hertfordshire Home Improvement Agency fail to recover sufficient fees, based upon application throughput, resulting in additional payment requested by HCC to cover costs.	M	30,000	25%	7,500
	FR35	Termination of North Hertfordshire Housing Partnership and end of shared policy/software arrangements with settle.	L	20,000	0%	0
Resources	FR36	Assumed vacancy saving within staffing payroll budgets does not materialise as a slimmer staffing structure reduces both employee turnover and the capacity to hold posts vacant for any significant period of time.	L	300,000	0%	0
	FR37	Breach of partial-exemption calculation for VAT	L	300,000	0%	0
	FR38	The Council's compliance contractors identify exceptional repairs and maintenance required for Council properties.	M	50,000	25%	12,500
	FR39	Localisation of Business Rates – The council is now directly exposed to a range of risks including; business rates levy, safety net.	L	130,000	0%	0
	FR40	Member/Officer Indemnity Agreement is called upon	L	100,000	0%	0
	FR41	Further levy is charged through the MMI Scheme of Arrangement	L	20,000	0%	0

REVENUE BUDGET 2019/20 - APPENDIX C  
Budget Risks for 2019/20

Service Directorate	Financial Risk Ref. No.	Risk	High/ Medium/ Low	Risk Value £	%	Total Risk Assessment £
	FR42	Treasury Management - potential default by a counter party	L	5,000,000	0%	0
	FR43	Difficulty in recruiting Facilities Assistants results in higher expenditure on agency staff	H	10,000	50%	5,000
	FR44	Employment related risks related to outsourcing, shared services and restructuring	H	250,000	50%	125,000
	FR45	Reduced staffing capacity means that the delivery of efficiency proposals or investment projects is delayed and / or additional staffing resource must be hired externally at a cost premium to the Council.	M	50,000	25%	12,500

10,559,000

1,202,500