

Appendix 6

Risk Number	Category	Risk- cause/event	Impact of Risk	Probability of Risk (P) Score 1-5	Impact of Risk (I) Score 1-5	Score (PxI)	Red (R) Amber (A) Green (G)	Risk Control Measures	Owner	Review Period
1	Government Legislation	There are changes to Government policy that have in year service and budget impact.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	4	5	20	R	<ul style="list-style-type: none"> Monthly monitoring at service level and quarterly monitoring to Members. Close monitoring of developing national position and reporting to Members. 	Director of Finance	Quarterly
2	Income and Funding	Right to Buy sales are higher than forecast.	Less revenue will be received over the life of the plan than has been forecast.	3	4	12	A	<ul style="list-style-type: none"> Prudent estimates of the level of Right to Buy sales are used in forecasting. Review impact of new government policies Weekly monitoring of sales 	Director of Finance	Monthly
3	Income and Funding	Inflation rates are lower than budgeted for.	Rents cannot be raised as much as has been forecast.	2	5	10	A	<ul style="list-style-type: none"> Prudent estimates of inflation rates are used in forecasting. 	Director of Finance	Monthly
4	Income and Funding	General interest rates are higher than forecast.	If interest rates are higher than forecast there will be greater interest payments.	2	5	10	A	<ul style="list-style-type: none"> Prudent estimate of interest rates are used in forecasting. The latest forecasts from the OBR are used. 	Director of Finance	Monthly

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5	Income and Funding	Higher than anticipated bad debts.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	3	3	9	A	<ul style="list-style-type: none"> Robust debt collection and recovery mechanisms in place. Monthly monitoring at service level and quarterly monitoring to Members. Monitor effect of Universal Credit. 	Director of Environment	Monthly
6	Financial and Budget Management	Ineffective budget management.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> Monthly monitoring at service level and quarterly monitoring to Councillors. 	Director of Finance	Monthly
7	Financial and Budget Management	The 30 year asset management plan is inaccurate.	Capital expenditure is not budgeted correctly.	2	4	8	A	<ul style="list-style-type: none"> Close interrogation of information generated from asset management systems. 	Director of Environment	Monthly

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8	Financial and Budget Management	Treasury Management Activity, including increases in the cost of borrowing (e.g. LOBO loans being called) and/or reductions in the return on investments.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	4	8	A	<ul style="list-style-type: none"> Robust Treasury Management Strategy. Established and experienced Treasury Management function. Proactive approach to the management of the council's cash flow, on a daily basis, including seeking opportunities to take advantage of borrowing opportunities when interest rates are favourable and seeking to maximise returns on investment whilst effectively managing the risk associated with those investments. External treasury management advisors who provide a proactive and timely service and advice. 	Director of Finance	Daily
9	Financial and Budget Management	Loss of ICT facilities, e.g. due to failure of systems and/or disaster recovery arrangements or key personnel	Lack of robust financial information on which to monitor budgets, leading to in-year budget deficit requiring savings to be identified or the use of Housing Revenue Account balances	2	4	8	A	<ul style="list-style-type: none"> ICT disaster recovery project and arrangements. 	Head of ICT	Monthly

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10	Financial and Budget Management	HRA borrowing rises to unaffordable levels after abolition of borrowing cap	Inability to borrow to fund future capital projects results in delays or cancellations.	2	3	6	A	<ul style="list-style-type: none"> Close monitoring of capital spend requirements, interest cover ratio and debt levels per unit. 	Director of Finance	Monthly
11	Income and Funding	Reduction to other income.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	2	3	6	A	<ul style="list-style-type: none"> As part of the 2021-2022 budget process income budgets were reviewed and revised accordingly. Monthly monitoring at service level and quarterly monitoring to Members. 	Director of Finance	Monthly
12	Managing Agent	Performance issues requiring intervention	Income collection Void rent loss Inappropriate use of resources	2	3	6	A	<ul style="list-style-type: none"> Quarterly performance monitoring Financial audits Review of financial position 	Director of Environment Director of Finance	Quarterly Annual

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12	Third Parties	Third parties and suppliers / contractors cease to trade or withdraw from the market.	Short term expensive solutions may be necessary. Requirements to undertake tender exercise. Increased ongoing cost due to reduced competition. Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	4	4	HA	<ul style="list-style-type: none"> Departments using external service suppliers work closely with them and are kept abreast of their service and business situation. At worst this gives the council notice of emerging problems. Monthly monitoring at service level and quarterly monitoring to Members. Strategic Construction Partnership uses two different contractors. 	Budget Holders	Monthly
13	Income and Funding	Lower than anticipated levels of capital funding through receipts and grants.	Capital schemes are cancelled or delayed or have to be funded from revenue budgets and/or prudential borrowing resulting in an over spend against budget requiring either in year savings or use of housing revenue account balance.	2	2	4	A	<ul style="list-style-type: none"> The Capital Programme is actively and closely managed and when so doing expenditure and income streams are continuously monitored. Quarterly monitoring to Members. 	Director of Finance	Monthly

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14	Financial and Budget Management	Non pay inflation increase insufficient.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	2	2	G	<ul style="list-style-type: none"> Monthly monitoring at service level and quarterly monitoring to Members. 	Director of Finance	Monthly
15	Service Demands	Increased demand for services including the impact of social and demographic pressures on demand for services.	Overspend against budget requiring either in year savings or use of housing revenue account balance.	1	2	2	G	<ul style="list-style-type: none"> As part of the 2021-2022 budget process budgets were reviewed and revised accordingly taking account of known and anticipated increases in demand. Monthly monitoring at service level and quarterly monitoring to Members. 	Budget Holders	Monthly