Description of Risk	Cause	Effect	Control/Mitigation	L	S	Risk Score	Action Taken	Risk Owner
Unable to deliver agreed Business Plan commitments.	Government changing the laws.	Business Plan becomes unsustainable.	Keep abreast of policy developments and changes in Government. Any change in the law would affect all councils and in this case we would have collective bargaining power.	2	4	8		Project Manager – Abigail Hay
Unsustainable debt financing leading to Business Plan inefficiencies and breaching of loan covenants.	Inadequate treasury management advice and significant changes in Business Plan assumptions.	Sub-Optimal Debt Structure	Updated stock condition survey and validation by an independent body - Michael Dyson Associates carried out in October 2011 to provide an accurate forecast of required investment in stock, based on existing service standards. Evaluation of options to the debt structure leading to the selection of the most optimal financing strategy in consultation with Sector. Review of the planned development programme in order to make available monies to meet	2	2	6		Head of Finance – Mike Snow

Description of Risk	Cause	Effect	Control/Mitigation	L	S	Risk Score	Action Taken	Risk Owner
Changes in income assumptions	Significant changes in Welfare Reform Policy (Housing Benefit) which negatively impact actual income collection versus Business Plan projections. Economic downturn that increases unemployment levels, household debt therefore resulting in tenants unable to maintain rents. Less than effective income collection processes and systems which reduce income collection levels. Increase in void rates due to higher turnover. Government change in rent policy.	Likely to increase the amount of rent arrears and the cost of collection ergo increasing bad debt provision. More properties taking longer to re-let therefore increasing void rent loss.	Increased investment in income collection service at a cost of £60,000 per year. Completing Housing & Property Service Redesign to ensure appropriate focus on income collection across the service. The provision has been gradually increased to 2.84% over the next 5 years in line with the introduction of the various elements of welfare reform. The long term forecast is reduced to 1.84%. Sensitivity analysis shows that the Business Plan would still be sustainable if there was a significant increase in the necessary bad debt provision. Keep abreast of developments and changes in Government	3	2	6	The Government has recently announced a change in the social rent which will significantly reduce the amount of income in the Business Plan. The revised Business Plan assumes the proposed rent formula which, whilst significantly reduces the income, still remains in a strong position. Therefore the score does not need amending.	Sustaining Tenancies Manager– Jacky Oughton

Description of Risk	Cause	Effect	Control/Mitigation	L	S	Risk Score	Action Taken	Risk Owner
Unsustainable Business Plan following higher than projected Right to Buy Sales	The Government has recently changed the Right to Buy Policy, most notably the level of discounts available, eligibility criteria, and pooling of receipts. Increasing availability of Mortgage finance and strong house price inflation resulting in greater market confidence.	Likely to result in an increased loss of stock and insufficient resources to repay associated debt.	The level of sales that we have seen since April 2012 is significantly higher than central Government forecasts contained within the debt settlement calculations. The revised Business Plan assumes that the rate of sales from 2014/15 is 50% higher than the Government forecasts.	2	2	4		Head of Housing & Property Services – Jameel Malik

Description of Risk	Cause	Effect	Control/Mitigation	L	S	Risk Score	Action Taken	Risk Owner
Unsustainable Business Plan due to higher than projected increase in capital expenditure.	The assumptions made in the Business Plan regarding the condition of stock and the forecast capital expenditure differ from actual costs incurred for the following reasons: • Costs increase following survey of all properties • Building & contractor costs higher than forecast • Inefficient asset management • Significant increase in the repairs standard.	Increases cost and therefore reduces Business Plan viability.	The contingency built into repairs and maintenance cost assumptions allow for reasonable variances in cost outturn. The Business Plan forecasts capital expenditure to increase year on year by RPI from 2018/19, but project efficiencies will offset inflation up to that point. The Business Plan will be reviewed on a regular basis to respond to any significant and business critical changes to actual expenditure versus projections. The current asset management strategy, the Asset Investment Board and business practice assist in efficient decisions on asset management. To ensure future stock condition surveys are commissioned for the full duration of the Business Plan.	2	4	8	Michael Dyson Associates have carried out a stock condition survey. The stock condition survey methodology is based on guidance issued by the Government. Statistically there is a 99.1% confidence level that the condition assumptions for the cloned data would be accurate within 2 standard errors of the true answer. It is typical for most stock condition surveys to be based on a 10% sample whereas the one commissioned for this Business Plan is based on 15% with some archetypes having up to 70% surveys. The average cost for the Business Plan for years 31 to 50 have been based on the average 30 year cost extrapolated forward.	Asset Manager – David Sillitoe

Description of Risk	Cause	Effect	Control/Mitigation	L	S	Risk Score	Action Taken	Risk Owner
Reduction in service.	The Government has eradicated the ring fence for Supporting People (SP) funding, as a result of which the County Council has made the decision to reduce SP allocations as part of its budget setting process.	Services provided which are currently funded from SP budget will either have to be funded by the HRA, via service charges or services cannot be provided. The impact of the latter is a significant increase in dissatisfaction amongst the district's most vulnerable tenants	We have assumed in the business plan that additional income will offset any loss of SP grant. A full option appraisal on the impact of the funding reduction and recommendations will be presented for Executive approval in 2014.	3	2	6		Sustaining Tenancies Manager – Jacky Oughton

Description of Risk	Cause	Effect	Control/Mitigation	L	S	Risk Score	Action Taken	Risk Owner
Rental Income lower than Projections in the Business Plan	Member decision not to increase rents in line with rent restructuring forecasts in the Business Plan.	Rental income not sufficient to cover the costs of the Business Plan.	The Government is consulting on a new social rent formula which will be set for 10 years from April 2015. The expected benefit savings for Central Government were included in the Spending Round. The Business Plan has been amended in accordance with this formula, which limits rent increases to CPI plus 1%. This is projected to reduce income over 50 years by £639m compared to the previous formula. Whenever homes become empty, re-let them at target rents, since it is no longer possible to move towards target rent on occupied properties. Consider implementing service charges in order to maximize income. Each year the Business Plan will be presented to Members during the rent setting process to enable Full Council to make informed assessments regarding the implications of rent setting decisions.	2	5	10		Members of the Council

Description of Risk	Cause	Effect	Control/Mitigation	L	S	Risk Score	Action Taken	Risk Owner
Rental Income lower than Projections in the Business Plan	Stagnant growth and low productivity resulting in a downward pressure on prices and therefore a lowering of inflation compared to projections in the Business Plan and risks of deflation.	Rental income not sufficient to cover the costs of the Business Plan.	Low inflation likely to also reduce costs in the Business Plan, mitigating some of the effect. Lobby Government with other stock retained Local Authorities. If inflation is less than forecast the rent setting process would therefore need to consider the following options: • Rent increases above inflation (within limits) • Reduction in capital and revenue costs • Sale of homes • Ring fencing and recycling of right to buy receipts into the Business Plan.	2	4	8		Head of Housing & Property Services – Jameel Malik

Description of Risk	Cause	Effect	Control/Mitigation	L	S	Risk Score	Action Taken	Risk Owner
Unsustainable Business Plan due to higher than projected increase in supervision and management expenditure.	The actual costs of managing housing and providing services to tenants differ from the Business Plan assumptions, for example: • Increase in support service costs. • Building & contractor costs higher than forecast • Increase in staff costs • More services required for an ageing population • Changes in the services required • New legal obligations to deliver	Increases cost and therefore reduces Business Plan projections and viability.	The Business Plan will be reviewed regularly as part of the managing the services performance. All expenditure and income will be monitored against budgets and any variance reported as part of the Budget Review process.	3	4	12		Head of Housing & Property Services – Jameel Malik
Benefits of the Housing Strategy not being delivered.	Inability to agree an effective Delivery Plan.	Conflicting priorities. HRA Business Plan resources being spent on non-priority projects.	To agree a delivery plan. To ensure that the delivery plan can be delivered within the resources of the Business Plan. To review the Delivery Plan.	3	3	9		Head of Housing & Property Services – Jameel Malik