

FINANCIAL RISK REGISTER 2021-22

Appendix 4

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
	Finance				
	Funding delayed or unavailable, income reduced or costs increased or reserves used because ...				
O 01	Unable to achieve additional meter income built into Budget in respect of Off Street Parking Charges.	112.00	<ul style="list-style-type: none"> •Monitor income against budget and consider other charging options to meet potential shortfall. •Reduce operating costs •Town centre development, business development 	Waste, Parking and Fleet Services Manager	£ 1,502,333
O 02	Unable to recover arrears from investment property and industrial estates tenants.	120.00	<ul style="list-style-type: none"> •Review rents •Agree payment plans • Actively pursue recovery of all arrears. Take swift action against non-payers to prevent large arrears building up. 	Head of Assets	£ 519,980
O 03	Business Rates liabilities for investment assets exceed estimates	32.00	<ul style="list-style-type: none"> •Market vacant properties quickly. Look at alternative lettings for void properties, e.g. short term lets, charity lets etc., to avoid rates liability • 	Head of Assets	£ 20,000

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O 04	Underachievement of Future Guildford Transformation savings	72.00		Director of Resources	£ 339,999
O 05	Serious case reviews on behalf of other authorities. Risk of incurring the costs of investigation regarding a serious case review. It is difficult to predict if and when this may occur	64.00	•unable to mitigate	Director of Service Delivery	£ 16,667
O 06	Collapse of major contractor eg, Leisure Services, Parking Services (Pay by Phone) or Cultural Services	16.00	Due diligence and credit checking of major contractors. Contract monitoring. Step in rights on the Leisure contract by GLL. Officer step in rights on Glive contract. Weekly cash transfer on pay by phone contract	Leisure Services Manager	£ 1,194,214

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O 07	SCC provision and funding of Park and Ride, both existing and new sites or termination of the agency agreement with SCC for on-street parking enforcement in Waverley.	48.00	Effective liaison with local committee. Seek bus contract savings and alternative income sources	Waste, Parking and Fleet Services Manager	£ 524,246
O 08	Risk of additional administration costs of new legislation and fines arising as a result of breaches in legislative duties (eg, data protection, information management, corporate manslaughter, air quality management)	16.00	The Board is moving on with GDPR preparations, no costs have been planned for this during 2018-19. Civica will certainly charge for changes and if we multiply this across all the GBC systems it could be a substantial sum.	Director of Resources	£ 1,255,254
O 09	Loss of external funding from Enterprise M3 or Homes and Community Agency (HCA) due to project slippage or government reducing funding to EM3 / HCA - revenue impact of capital schemes	32.00	Monthly budget monitoring of capital grant claim income by accountants and project managers. Representation at LEP board and working groups. Regular Liaison meetings with HCA.	Director of Resources	£ 514,781

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O 10	Loss of income from external grounds maintenance contracts with SCC highways and Kings College	8.00	SCC contract renewed for another 4 years, Kings college contract being reviewed in 2016	Parks and landscape manager	£ 8,071
O 11	Housing benefit processing errors leading to DWP claim qualification	14.00	Have extra checking in place since 2014-15, and we are being very careful and checking the work of resources from Civica OnDemand. New assessors will be trained and will have their work checked	Exchequer services manager	£ 5,381
O 12	Increased risk of judicial reviews and the legal costs associated with defending the council. Risk of JR due to opposition to strategic development sites within local plan.	60.00	<ul style="list-style-type: none"> • Detailed project planning and following due process, use of legal planning expertise • 	Director of Service Delivery	£ 33,333

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O 13	Reduction in the council's baseline need to spend following the fair funding review and introduction of 75% business rates retention in 2021	12.00	<ul style="list-style-type: none"> •Medium term financial plan that is based on prudent assumptions, sensitivity testing of future budget assumptions to be introduced , consider targetting transformation programme to overachieve by 20% 	Director of Resources	£ 6,667
O 14	Treasury Management Counter Party Bail in	16.00	Effective treasury management strategies, policies and controls. Use of Professional Advisors.	Financial Services Manager	£ 20,000
O 15	S106 Clawback and/or collection risk	54.00	we don't tend to add a claw back clause on monies for applicants on new section 106 agreements and where these types of clauses do exist there tends to be wording along the lines of where the monies is unallocated, committed or unspent	Financial Services Manager	£ 83,333

	Category	Risk Score	Action	Action Owner	TOTAL Financial Risk Estimate
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O 16	Increased cost of planning appeals due to applications arising on unplanned sites in the Local Plan	54.00		Planning Development Manager	£ 16,667
O 17	Major Emergency / Civil Incident or Severe Weather event	256.00	Effective Emergency Planning and Government Bellwin Scheme. Adequate general fund balances.	Director of Service Delivery	£ 3,834,295
O 18	Capital programme & Regeneration schemes - unavoidable scheme costs that can't be met by capital contingency fund or cost escalation due to complexity of regeneration schemes (revenue implications due to low capital balances)	64.00	Business planning process and training of Budget / Capital Project managers. Effective capital programme monitoring and oversight group.	Financial Services Manager	£ 666,665

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O 19	Capital Programme & Regeneration scheme - impact of projects on capital vision coming forward earlier than expected (revenue implications due to low capital balances)	8.00	•Business planning process and training of Budget / Capital Project managers. Effective capital programme monitoring and oversight group.	Financial Services Manager	£ 100,000
O 20	Capital programme & Regeneration schemes - revenue impact of slippage in programme by 12 months (MRP / Interest cost reduction)	64.00	Business planning process and training of Budget / Capital Project managers. Effective capital programme monitoring and oversight group.	Financial Services Manager	£ 166,666

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O 21	Implementation of the Community Infrastructure Levy - impact of reduced S106 income	72.00	Draft scheme consulted on during 2014.15 but implementation delayed along with local plan. Seek identification of alternate funding options for openspace, sports and recreation space or play spaces prior to implementation. CIL may produce more money than S106 and it does provide greater flexibility in terms of what it can be spent on but the vast majority will go to highways, schools.	Planning Policy Manager	£ 18,832
O 22	SCC Financial Sustainability; possible impact of local government re-organisation should SCC not be sustainable beyond 2020.	48.00	Representation on work streams to ascertain early warning of changes and cost pressures. Process requires political support.	Director of Resources	£ 66,666
O 23	Increase in benefit claimants and bad debts	84.00	•unable to mitigate	Exchequer services manager	£ 188,318

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O 24	Potential increase in homelessness	84.00	<ul style="list-style-type: none"> •Review homelessness management and consider outsourcing •Consider buying properties to increase housing stock •Investigating alternative methods of provision for emergency accommodation to reduce cost 	Housing Advice Manager	£ 33,333
O 25	Loss of interest from investments arising from bank base rates remaining at a low level for longer than expected	256.00	<ul style="list-style-type: none"> •Treasury Management Strategy focussed on investment diversification, risk management and control of investments and borrowing 	Financial Services Manager	£ 126,119
O 26	1 % Loss of income from Fees and Charges	48.00	<ul style="list-style-type: none"> •Budget monitoring and corrective action 	Director of Resources	£ 350,096
O 27	Inability to achieve savings required to close the medium term budget gap	256.00	Tight Monitoring of savings strategy and plans	Director of Resources / CMT	£ 390,532

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O 28	Business Rates Retention Scheme (BRRS) volatility; impact of higher than anticipated appeals	48.00	•Use of BRRS reserve	Director of Resources	£ 433,834

Level of Reserves required as per risk register	£ 12,436,281
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Level of Expected Reserves Available 31st March 2021

General Fund (GF) reserve	£ 3,748,000
GF earmarked reserves available to manage financial risks (and would not necessarily have to be replaced)	£ 8,811,000
GF earmarked reserves that would need to be replaced if used (eg, sinking funds, SPA endowments, renewals & maintenance funds etc)	£ 21,997,000
	£ 34,556,000