

CORPORATE RISK REGISTER

Appendix H

Reference	Title	Description	Value	Likelihood	Impact
C1	Spending Review 2020	The Spending Review will determine the control totals Local Government have available over the next few years. There is a risk that the spending review will result in an adverse outcome for Havering.	Unclear - Last spending round reduced funding by approx £5m per year	2	2
C2	Outcome of Fair Funding Review	In 2021-22, the government will implement the outcome of the fair funding review. There is a significant risk that the revised formula will redistribute funds from London to others areas in the country.	Unclear	3	2
C3	Impact of Leaving the EU	The potential implications of leaving the EU are wide ranging on local authorities including interest rates, the value of the pound and the costs of products, services and staffing.	Unclear	3	1
C4	Loss/reduction in Business Rates	In recent years as a result of austerity and the general reduced footfall from the high streets, a number of local businesses have failed. Business rates are in part locally retained meaning that significant downturn in yield will have a direct impact. The London wide pool will smooth this effect but could also result in a far more significant impact if some larger businesses in central London closed.	Unclear	2	2
C5	Affordability of Capital Programme	The Capital programme is based on a robust funding strategy. Significant overspends or enhancements to projects will result in a revenue pressure through increased contributions on higher borrowing and MRP costs	Unlikely to be significant	1	1
C6	New Legislation	The Government could at any time introduce new legislation or transfer new burdens to local government. History has shown that frequently new legislation is not accompanied by enough associated funding	Unlikely to be significant	2	1
C7	The impact of delays, changes, and market fluctuations to the Regeneration Programme	The regeneration models contained in the business cases make assumptions regarding inflation, interest rates and the property market. Changes to these factors could affect the expected yields. There is also a significant cost associated with delays to the programme either caused by changes to proposals or any other reason	Could be significant	2	3
C8	Interest Rate change	An increase in interest rates will have a direct impact on the Council's treasury strategy. Potential increases in borrowing will directly impact on the Councils MTFP and affordability decisions on major future Capital Plans	£1m per 1%	2	1
C9	Higher than expected inflation	If there was a significant increase in inflation this would result in cost of services increasing and potential pay awards all of which would be a direct pressure on the MTFP.	£1.5m per 1%	2	2
C10	Higher than expected population growth/ demographics	The Council's plans recognise the effect of population growth and the demographic pressures that brings particularly to Social Care. If either the population increased at a higher rate or factors such as poverty and deprivation resulted in increased demand above current planned amounts then this would have a direct impact on the MTFP	Unclear	1	2
C11	IBCF and other Grants	The 2021 settlement announced a continuation of grant funding in line with the previous 4 year settlement. Funding from 2021-22 onwards is far less clear and whilst this is taken into account in the MTFP a loss of smaller grants will impact on planning.	Unlikely to be significant	2	1
C12	Pension Fund Performance/Actuarial Review	A downturn in the performance of the pension fund could result in increased contributions being required at the next triennial review. This will have a direct impact on the MTFP assumptions	Unlikely to be significant	1	2
C13	Budget Failure/ Overspends	The MTFP allows for any recognised ongoing budget pressures. Unbudgeted overspends will depleted general and earmarked reserves. This could lead to future year budget pressures either through planned contributions to reserves or through continued overspends.	Unlikely to be significant	1	2
C14	IT System Failure	Significant IT failure could result in loss of service provision, potential loss of data and additional repair or replacement costs	Unclear	1	3
C15	Future Waste disposal arrangements	There are already significant sums built into both the ELWA budget and the Councils MTFP to cover the preparations for the end of the waste contract in 2027. These costs however could easily increase as 2027 gets nearer.	Unlikely to be significant	1	2
C16	Adverse Weather/Cold winter	A cold or wet winter can result in increased environmental costs through gritting or possibly flood alleviation. Freezing weather also can break up road surfaces resulting in emergency repairs	Unclear	2	1
C17	Fraud	The Council has measures in place to minimise the risk of fraud. If a major financial fraud were discovered this could have a reputational risk and result in additional costs both to improve systems and to mitigate any uninsured losses.	Unclear	1	2
C18	JV Failure	The JV's all have business cases with returns on investments at various points to the Council. Failure of a JV could be for a number of reasons but will result in both additional costs and loss of income to the Council	Significant - several £m	1	3
C19	Collection Rates	Council Tax is set on assumed collection rates. Failure to achieve those rates will have an impact on the collection fund and the level of bad debt provision required. Both of these items will impact on future planning.	Unlikely to be significant	1	1
C20	Public Health Joint Funding	The Public Health Grant has reduced over the last two years and is quite likely to continue to be squeezed. This could potentially impact on the future funding of Council Services	Unclear	1	1