

### HRA RISK REGISTER (December 2021)

LIKELIHOOD	<b>A</b> Very High				
	<b>B</b> High			3	
	<b>C</b> Medium				
	<b>D</b> Low / Very Low		2	1	
		4 Insignificant	3 Minor	2 Moderate	1 Major
IMPACT					

Risk no.	Risk score	Description
1	D2	HRA Suplus
2	C2	Gearing
3	B2	Diffiuct to let properties

REF	RISK (IF-THEN)	BACKGROUND CAUSE-EFFECT	Likelihood	Impact	Inherent Risk Rating	MITIGATION/ CURRENT CONTROLS	Likelihood	Impact	Residual Risk Rating	FURTHER ACTION REQUIRED (INCLUDE TIMESCALES)	RISK OWNER	COMPLETION ON REVIEW DATE
<b>Risk No 1</b> <b>£2m surplus breached</b>	<b>Vulnerability:</b> That the cost of borrowing increases <b>Consequence:</b> The plan may breach therefore not maintaining the £2m balance	The business plan is based on several assumptions. These may or may not come to fruition. The failure to regularly review the plan and the sensitivities within it could lead to a breach which would not be line with policy.	High	Moderate	B2	Controls are in place to regularly review and stress test the business plan. The plan will be updated on an annual basis. Information will be fed in using the budget monitoring process which looks at spend v budget monthly.  An annual report will be presented to O & S and Cabinet	Low	Moderate	D2	1. HRA review meeting put in place on a monthly basis 2. Yearly reports added to the Stronger Communities work Programme	Director of Property and Housing	Regular programme meetings (but at least monthly)
<b>Risk No 2</b> <b>Gearing</b>	Vulnerability Although interest cover is not used as a benchmark in local council building borrowing, it is the industry standard. As such it is prudent to include it as a risk. The vulnerability occurs if the interest cover drops below that which is assumed as acceptable <b>Consequence</b> Should additional borrowing be required there would be a risk that the interest may not be covered. This may destabilise the business plan	This may occur due to urgent works being identified and unforeseen cost resulting in additional borrowing	Medium	Major	C3	The yearly review will take a view on whether the level of interest cover is reasonable based on sector averages and agreed by Cabinet.  Any predicted breach in cover will initiate a review of the plan. This will then lead to a review of the development programme and the spend on repairs, maintenance, and capital upgrades  Current Gearing is at an appropriate level	Likelihood	Impact	C2	Report to be taken to Cabinet to recommend a level of Gearing with meets with the appropriate level for risk.  Average in the housing sector in 2020 was 1.38%  The business plan assumes a safe level to be at 1.25%	Director of property and housing	April 22
<b>Difficult to let properties</b>	<b>Vulnerability</b> <b>The older persons stock is, in some schemes difficult to let</b>  <b>Consequence</b> <b>Longer voids which means potential rent loss</b>	Several the sheltered schemes are dated and do not meet the requirements of older people. This means that they are more difficult to let which leads to longer void periods	High	Moderate	B2	An asset review of the sheltered stock was undertaken. This is now being further developed to include a medium to long term strategic direction.	Low	Moderate	B2	Report to be taken to Stronger Place and Cabinet recommending a strategy for the next 7-15 years	Director of Property and Housing	June 22