

Risk		Failure to deliver the financial income anticipated within the budget														
Likelihood	5															
	4															
	3			X												
	2															
	1															
		1	2	3	4	5										
Consequence																
Risk Owners							Amanda Askham		Current Score		9		Last Review		n/a	
									Target Score		n/a		Next Review		01/07/2020	
									Previous Score		n/a					
Triggers							Likelihood Factors (Vulnerability)					Potential Consequences				
1. The various commercial activities fail to generate the returns anticipated creating a deficit position 2. The market changes and the value of our capital investment (and expected income) declines 3. The cost of borrowing increases and the potential to generate income from investment reduces 4. A third party threatens legal action relating to an activity C&I are responsible for 5. Legislation changes so that further restrictions are put in place in the way local authorities can invest 6. A slow down in the economy causes businesses to renegotiate lease arrangement and/or businesses with a lease become insolvent 7. Commercial Team unable to identify savings through contract management							Budget indicates that £2.6m of the income for 2020/21 relates to new income (with the remainder relating to activities that are already achieving, or near achieving, expected income levels)					1. The deficit requires surplus income elsewhere, or other measures, to make up the shortfall 2. The C&I deficit contributes to the Council having insufficient reserves to cover deviation				

Controls	Adequacy	Critical Success
1. Monthly financial report to C&I on budget forecast outturn that links with overall outturn position	Good	
2. Key Performance Indicators reported quarterly to C&I Committee with identified trigger points if minimum income levels are not met	Good	
3. Dedicated Commercial Team established to deliver objectives of Commercial Strategy	Good	
4. Commercial Board, led by Commercial Team, assessing opportunities for contract reviews alongside Service leads	Good	
5. External consultant in place to advise on investment market and trends to inform investment decisions	Good	

Action Plans	Responsibility	Target Date
1. Development of an Investment Management Plan to profile risks, market influences and forthcoming opportunities	Commercial Team	01/05/2020
2. Report to Investment Group liquidity ratios of our investment and devise formula for measuring risk	Commercial Team	01/05/2020

6. A liquid portfolio allows for under performing investments and new investment opportunities to be realised. (Action Point 2)	Good	
7. Commercial Board and Member-led Steering Groups established to ensure business plans from income generating services are delivered or escalated and investments are scrutinised	Good	
8. Periodic specialist Member and Officer training is scheduled to ensure robust decision making and challenge	Good	
9. Legal advice has been sought for all new asset class investments	Good	
10. Risks associated with the delivery of the Energy Investment Programme are identified in quaterly monitoring reports	Good	

**Risk Path:**

**Risk Category:**

**Linked Objective(s):**

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