

## 2019/20 HRA Budget Risk Matrix

<b>Impact</b>	5					
	4			<b>H3</b>		
	3	<b>H6</b>	<b>H2</b>			
	2		<b>H4</b>	<b>H1</b>		
	1		<b>H7</b>	<b>H5</b>		
		1	2	3	4	5
<b>Likelihood</b>						

No.	Risk Title/Description	Control	Residual Risk Level
H1	Reduction in rental income due to the roll-out of Universal Credit and changes in the Welfare Reform and Work Act, reducing the ability of the HRA to finance investment in the housing stock	The HRA medium term financial plan includes provision for increases in arrears and bad debts to allow for potential loss of income as a result of Welfare Reforms. The impact of changes will be closely monitored and the impact on the forecast budget will be considered before any long-term investment decisions are made. The Council will respond robustly to any consultation on the proposed changes.	6
H2	The total impact of overspends on capital projects would need to be met by the HRA in a single financial year. In light of the potential major development work planned in the HRA for the medium term through the regeneration programme, this is a significant risk.	Capital projects are managed through the Council's MK Approach, allowing potential overspends to be identified and mitigated individually as they arise. Provision has been made within the calculation of the Minimum Revenue Balance to enable any in-year impacts to be covered.	6
H3	The current housing stock needs significant investment, through a programme of regeneration. This will require significant investment and due to the housing debt cap will involve external partnerships to generate income which could	A Regeneration partner, the Mears Group, was appointed in December 2015 and work is continuing on development of the partnership (YourMK LLP), asset management planning, and community engagement to inform the regeneration programme.	12

No.	Risk Title/Description	Control	Residual Risk Level
	be invested into the housing stock. This is a major project; decisions on financing and funding will be dependent on asset management and stock condition data.	Specific proposals for each priority area will be costed and financially risk-assessed before being submitted for residents' approval through ballots.	
H4	Insurable events in excess of Insurance Fund provision	Provision has been made within the calculation of the Minimum Revenue Balance to enable any in-year impacts to be covered.	4
H5	In-year legislative pressures	Provision has been made within the calculation of the Minimum Revenue Balance to enable any in-year impacts to be covered.	3
H6	Civil emergency/disaster	Provision has been made within the calculation of the Minimum Revenue Balance to enable any in-year impacts to be covered.	3
H7	Abnormal weather conditions	Provision has been made within the calculation of the Minimum Revenue Balance to enable any in-year impacts to be covered.	2

