

Risk Register

Risk	Comments	Impact	Probability
Regulations change that threaten viability of the programme	Highly unlikely that regulation change will be applied retrospectively. In such event, acting reasonably parties to agree changes to adapt accordingly	None Expected	Low
Significant increase in property prices/reduction in available properties on the market meaning that properties cannot be acquired within the funding available.	Due diligence has been undertaken to ensure a clear evidence base on property availability and property prices. The model allows a level of flexibility on financial numbers. The Council agrees the final acquisition programme, and this will be kept under review and can be adjusted to reflect market changes. The model assumes a relatively speedy acquisition programme to reduce the risk of significant market changes and long-lasting impact on the market.	None Expected or a slight reduction in the overall number of units acquired	Very low.
Changes in local housing allowance/ benefit subsidy arrangements reducing rental income stream during the term of the lease.	Overall, based on market trends it is unlikely that the rental increases built into the model will not be achievable within subsidy arrangements. However, the proposed facility repayment holiday until year 3 will allow for a sinking fund to be established to assist in covering future costs. A proportion of properties could be rented at market rents to cross subsidise lower affordable housing rental levels. A proportion of properties could also be sold if the value has increased significantly. In addition, even if a future decision was made to top up any shortfall this would still be significantly less than the net costs of nightly paid units.	No impact or a slightly reduced number of properties available to meet statutory rehousing duties	Low
Local housing allowance rates reduced during acquisition programme.	Expectations are that the LHA rates will remain at least at current rates for the next 2-3 years and it is highly unlikely that rates will fall. However, should this occur during procurement then the acquisition strategy can be adjusted to purchase an increased proportion in areas with higher LHA rates or a larger proportion of 3 and 4 bed units which produce a higher rental charge.	No impact or a slightly reduced number of properties purchased	Low
Sales do not complete and legal and or valuation costs incurred.	The model assumes a proportion of sales will not proceed to exchange of contracts. Checks are in place to minimise the rate of fall through. O&S bear the cost unless LBB instruct for a sale not to proceed	No impact – already costed into the model	Very low
Property refurbishment cost higher than anticipated	There is sum built into the model for refurbishment costs and procedures in place through inspection and survey to ensure costs are accurately identified. Any additional costs are an O&S risk	No Impact expected	Very low