2017/18 HOUSING REVENUE ACCOUNT BUDGET RISK MATRIX

Impact	5					
	4			H4		
	3		H2	H3		
	2			H1		
	1					
		1	2	3	4	5
		Likelihood				

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 reductions in the forecast of rental income 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 any 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. A reserve has been established to enable any in-year impacts to be contained.	6
H3	The Government's policy of Higher Value Asset sales may result in large levies against the HRA.	No levy will be implemented for 2017/18. The Council will respond robustly to any consultation on the proposed implementation in future years. Levies may be met from disposals of stock, or from other HRA	9

No.	Risk Title/Description	Control	Residual Risk Level
		resources. Options will be analysed and policy and financial plans will be developed once details of implementation are available.	
H4	The current housing stock needs significant investment, through a programme of regeneration. This will require significant investment and due to the housing debt cap is expected to involve an external partner to generate income which could 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.	A Regeneration Partner, the Mears Group, was appointed in December 2015 and work is continuing on development of the partnership (YourMK LLP), stock condition surveys, and asset management planning to inform the programme of community and regeneration engagement.	12