

The risk				Original risk score (impact x likelihood)			Managing risk					
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register	
CR28	<p>Icelandic Banks – financial exposure</p> <p>If the current status as priority deposits with Landsbanki bank is successfully challenged, the council’s deposits would be re-classified as ‘general unsecured creditors’ resulting in a lower recovery rate and exposure to claimant costs and impact on the MTFS over that already factored in through the capitalisation of losses.</p>	Director for Resources Mark Sheldon	9 April 2010	4	3	12	Accept	<p>Council commitment to join in group action with other councils to defend current priority depositor status.</p> <p>Initial court hearings to take place in February 2011 but any decision could be delayed if appeals are to be made against the outcome.</p>	June 2011	Section 151 Officer Mark Sheldon		
CR33	<p>Icelandic Banks – financial exposure</p> <p>If the group claim against Glitnir bank fails and the council is not recognised as a ‘priority depositor’ the council’s deposits would be re-classified as ‘general unsecured creditors’ resulting in a low recovery rate and exposure to defendants costs.</p>	Director for Resources Mark Sheldon	9 April 2010	4	4	16	Accept	<p>Council commitment to join in group action with other councils to defend current priority depositor status</p> <p>Capitalisation direction approved for £4.3m allows for write off of loss over 20 years.</p> <p>Initial court hearings to take place in March 2011 but any decision could be delayed if appeals are made against the outcome.</p>	June 2011	Section 151 Officer Mark Sheldon		

HRA-1	Reform of local authority housing finance	Director for Resources Mark Sheldon	November 2010	4	6	24	Accept	Government has confirmed its intention to scrap the HRA subsidy system and replace it with a self financing alternative by April 2012. Impact remains uncertain until further details are published but initial assessment would be beneficial to the Council. This will change significantly previous HRA medium and long term forecasts. Progress to be monitored and new HRA Business Plan to be prepared following receipt of Government proposals.	April 2012	Paul Jones	
	To increase the duration of investments for up to two years Associated risks are Regulatory, Liquidity & Interest Risk.	Director for Resources Mark Sheldon	27 <sup>th</sup> January 2011				Accept	Arlingclose Ltd, the council's treasury advisors view the associated risks to be a fair trade off for some of the potential returns available for lending beyond one year.		Section 151 Officer Mark Sheldon	
	Regulatory Risk- Economists are commenting that the British banking sector could become stronger if the retail, commercial and investment portions of the banks were to be sold off. Where would our deposits reside if this occurred.	Director for Resources Mark Sheldon	27 <sup>th</sup> January 2011	2	4	8		If the banks were to be split up, it would take a number of months/years before it came into force.	December 2011		
	With liquidity risk – if we have ‘run on a bank’ we could face a longer time to wait to get our investments back	Director for Resources Mark Sheldon	27 <sup>th</sup> January 2011	3	3	9		The banks on our approved counter party list are all deemed to be systemically important to our sovereign country	December 2011		

	Interest rate risk – if rates were to rise earlier than forecast then the council may be tied in and could lose potential returns.	Director for Resources Mark Sheldon	27 <sup>th</sup> January 2011	1	4	4	and the Government are of a strong standing to continue to support their banking institutions if they come under stress.  Any investment decision should take into account the councils current view on interest rates. Arlingclose Ltd, the council's treasury advisors view the associated risks to be a fair trade off for some of the potential returns available for lending beyond one year. If rates rise quicker than expected the potential to earn more interest is lost.	September 2011		
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