

Investment Portfolio Risk Register

Risk Owner	Risk	Impact	Risk scoring before mitigation			Mitigation/ Current Control	Risk scoring with mitigation		
			Likelihood	Impact	Total		Likelihood	Impact	Total
Asset Management	Lack of Rental income growth in a buoyant market	Will not match or exceed budget income and maintain rental levels in line with market rates	4	3	12	Letting agents with knowledge and expertise in the local geographic area are used to secure new tenants on Market terms	2	2	4
Asset Management	Lease events are not planned for or progressed in a timely manner	Opportunities for growth in rental income may be missed and increased rent not achieved in a timely manner, statutory rights may be obtained, resulting in SBC losing control of decision making	3	3	9	Reports are run 12-18 months in advance of lease event dates to ensure work can be programmed and external advice sought where necessary	2	2	4
Asset Management	Poor/Failing Tenant financial strength	Tenant failure, tenant arrears and bad debt	4	3	12	Dun & Bradstreet & Experien credit reports are reviewed prior to enter into a new letting and bi-annually thereafter	2	2	4
Asset Management	Significant expenditure on buildings that is not recoverable	Reduction in net income and contribution towards sinking fund and cost of council services	3	3	9	A suite of documents including the Asset Management Plan, Annual Investment Strategy and individual Asset Business plans set out proposed investment needed to ensure it is recoverable via the service charge or met from capital budgets	2	2	4
Asset Management	New lettings not achieving average market lease lengths	Impact on security of income and asset value	3	3	9	Letting agents are used to secure new tenants on Market terms	2	2	4
Asset Management	Delay in rent collection and/ or Tenant default	Loss of income, impacting the Council's income, revenue budget, financial position and service delivery.	3	3	9	Bluebox (BP), External Managing Agents (Investment) and Customer Services via Integra (Municipal) undertake the rent demand Monitoring in place and reported to both Member and Office forums. Rent Arrears report issued D&B reports and alerts Regular communication with tenants	2	2	4

Asset Management	Non compliance with H&S Legislation (investment)	Serious injury / Loss of Life Fines Reputational damage	4	4	16	External managing agents employed to manage risk, they have a dedicated team dealing with H&S	2	3	6
Asset Management	Non compliance with H&S Legislation (Municipal)	Serious injury / Loss of Life Fines Reputational damage	4	4	16	Spelthorne Building Services team instruct contractors to carry necessary tasks out, supporting the H&S compliance	2	3	6
Asset Management	Not meeting new legislation deadline for EPC's (Municipal)	Unable to grant new leases Loss of income	4	3	12	Building Consultancy team instructed to carry out EPC's where needed and action any works required.	2	2	4
Asset Management	Vacant properties	Loss of income. Exposure to void rates	4	3	12	Monitor lease events. Maintain close professional relationships with tenants. Appoint agents to actively promote and market to secure new tenant.	2	2	4